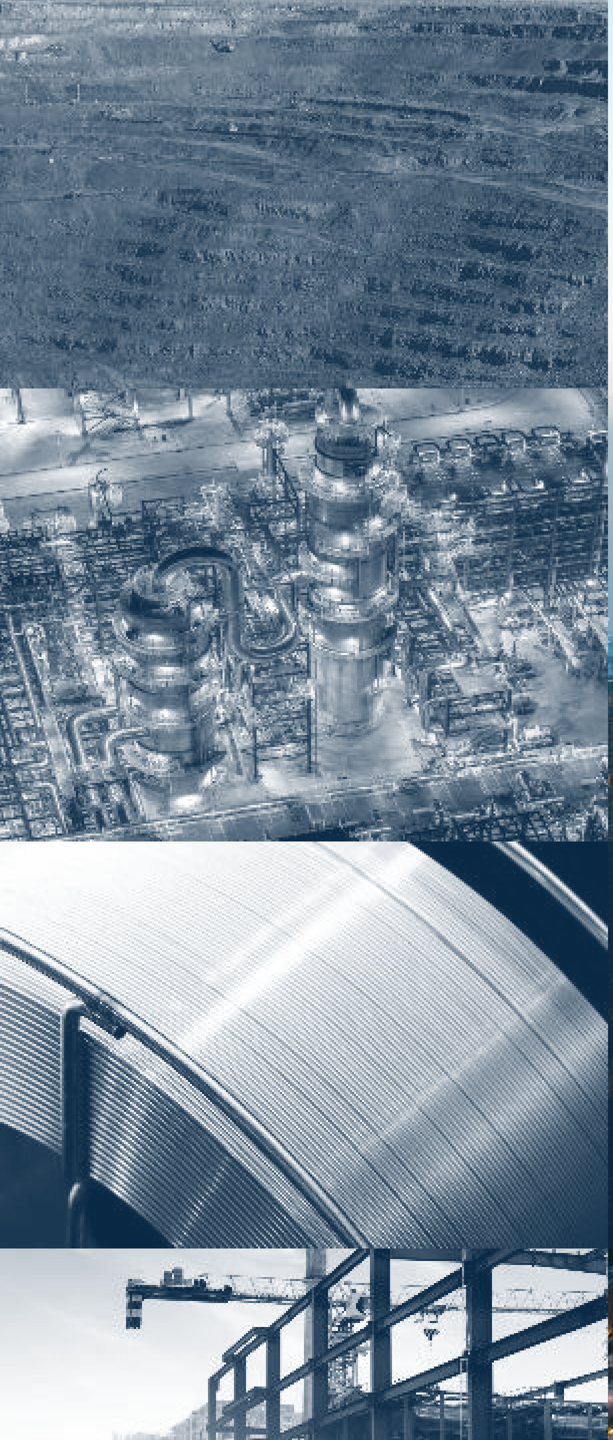

ANDAMAN PARTNERS

China's Comprehensive Role in Global Resources

Q1 2026

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About ANDAMAN PARTNERS

ANDAMAN PARTNERS supports international business ventures and growth. We help launch global initiatives and accelerate successful expansion across borders. We work across selected industries in our chosen markets — and we get involved in three ways:

We **Invest**

ANDAMAN Investment

Providing seed and growth capital to early-stage companies.

We **Advise**

ANDAMAN Advisory

Transaction origination & execution support.
Strategy formulation & implementation support.

We **Trade**

ANDAMAN Trade

We make complex international value chains work.

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Agenda

Executive Summary

Global Overview:

- China and the Global Macro Environment
- Global Resources Context 2026

China's Comprehensive Role in Global Resources:

- Production, Consumption and Trade
- Investment and Financing
- Project Procurement and Supply

Conclusions, Implications and Recommendations

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Prelude

China remains one of the world's largest producers of resources and the largest consumer, typically importing the most mining commodities, and is thus a massive market (and customer) for global producers.

China dominates much of the world's mineral processing and related supply chains, including several critical minerals. The country is a crucial investor and financial partner to the industry. Moreover, it has become a prominent engineering, procurement and construction partner for mining projects and operations worldwide.

China's role in the resource sector is complex, comprehensive and consequential.

China's growth may be slowing, and its demand growth for selected minerals and fuels may be peaking. But now is the time to form a comprehensive view of China's role in the sector and to become more — not less — strategically engaged.

ANDAMAN PARTNERS presents perspectives on selected key issues.

Kobus van der Wath
Co-Founder, ANDAMAN PARTNERS

Executive Summary: China is still China, but mining companies must now approach it more strategically. Re-evaluate the role China plays in your business and environment as customer, competitor, market, trader, exporter, seller and source of capital

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China and Global Macro and Resources Overview

- Global GDP growth of 3.2% is projected for 2025, below historical averages.
- China is in a long-term structural adjustment phase towards lower GDP growth, but still contributes significantly to global growth.
- In 2026, China faces significant challenges, yet it remains a pivotal global player. In a world confronting increasing geopolitical volatility, China is a complex, evolving and enduringly prominent economy that still offers many and varied opportunities for global businesses.

Political and business leaders must consider the many and varied opportunities in and with China for strategies and tactics, competitive operating models, inbound and outbound supply chains, and capital choices.

China Consumption, Production and Trade

- China remains the world's largest consumer and typically the #1 customer for many of the world's mining companies. China is by far the largest producer of steel and aluminium and the leading processor of many critical minerals.
- China remains dependent on foreign sources for key upstream inputs, including lithium, copper, nickel and high-grade iron ore.
- China remains the single most important demand centre in global resources and the largest consumer across a broad set of commodities.

For global resource markets, China anchors demand and sets the risk profile for producers, traders and policymakers. Now is the time to form a comprehensive view of China's role in the sector, engage strategically and compete to win.

China as Capital and Financing Partner

- China's OFDI and lending continue to shape global trade and resource security.
- China's OFDI continues to expand, with investment flow of USD 174 billion in 2025, with Asia and Latin America as primary destinations.
- China's mining OFDI has accelerated since 2023, with Africa as the primary target (USD 8.1 billion in 2025).
- Chinese companies announced USD 112 billion in global greenfield OFDI from 2000 to 2022, of which over USD 28 billion (25%) went to Africa, along with USD 12 billion in M&A OFDI.

China's role as a source of investment and finance remains significant. However, much has changed, including geopolitics, perceptions and China's approach. Still, there is real potential to tap into quality partners and capital from China.

China as Project, Procurement and Supply Chain Partner

- China has become a prominent (even dominant) supply partner across the global mining value chain. China's engineering & design, machinery & equipment, technologies and services are already driving value for many projects and operations worldwide.
- Chinese mining equipment, machinery and chemicals are integral to project procurement.
- Chinese EPCs are moving up the value chain: design & engineering revenues are expanding and construction earnings are rising.

The value of having China in the project or operations supply chain is already significant. Quality risks, though still requiring active management, have largely receded as a binding constraint on project execution.

Source: ANDAMAN PARTNERS Analysis

Global Overview: China and the Global Macro Environment

China is the world's SECOND-LARGEST ECONOMY accounting for 17% of global GDP, and one of the largest and the fastest-growing developing economies

Global GDP growth slowed to 3.2% in 2025, below historical norms, driven primarily by emerging markets. Growth across emerging markets & developing economies was more than twice the pace of advanced economies, reinforcing a continued shift in the global growth landscape

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- The IMF projects global GDP growth of 3.2% for 2025 and 3.1% for 2026, below the historical (2000-2019) average of 3.7%. The forecast for advanced economies is 1.6% for both 2025 and 2026, and 4.2% and 4.0%, respectively, for emerging markets & developing economies.
- Global real GDP growth in 2024 was 3.3%, a small decrease from 3.5% in 2023 and below the 3.8% of 2022.
- Global real GDP growth for 2023 to 2030 is forecast at 3.2%, while the forecast for emerging markets & developing economies is 4.1%.
- Up to 2030, among the larger developing economies, India (6.5%), Indonesia (5.0%), China (4.2%) and Türkiye (3.7%) could outperform the global average, while many developed economies will likely not attain this level of growth.
- By 2030, the U.S. and China could constitute 43% of the global economy, and India could become the world's third-largest economy.

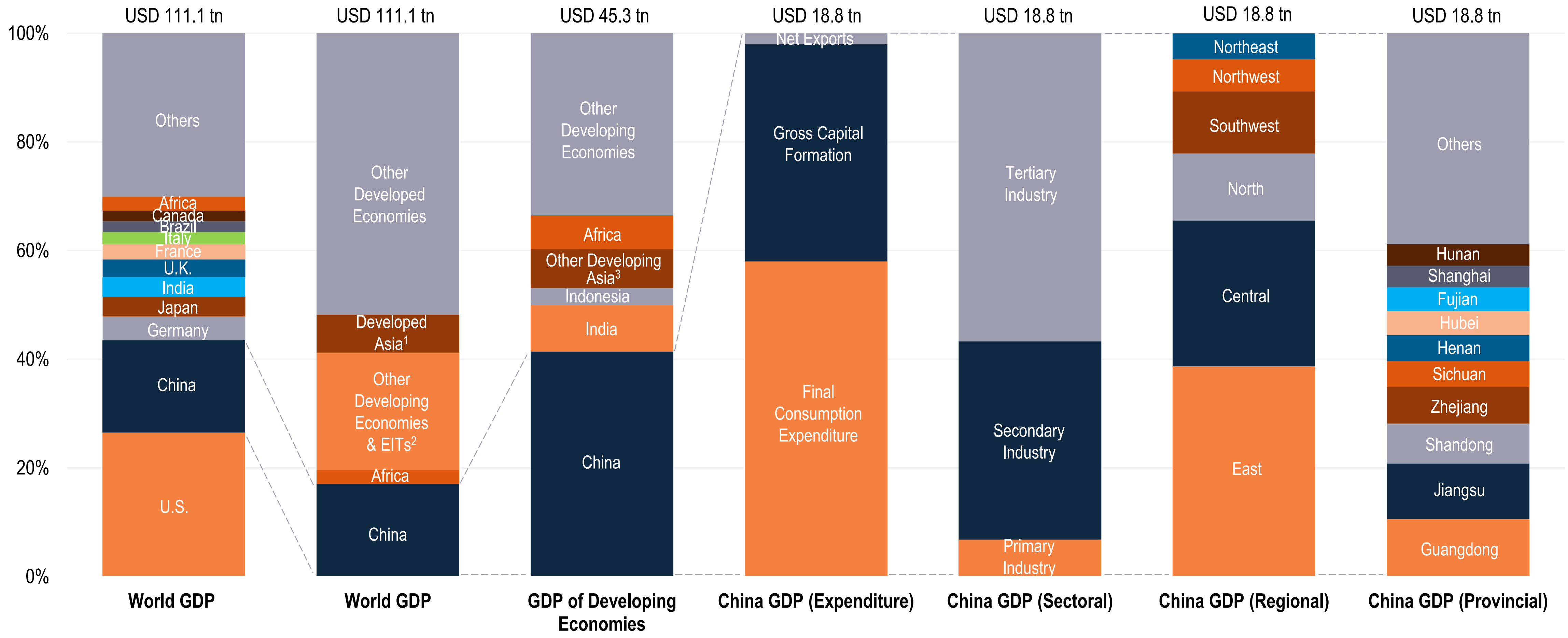
Top 20 Economies by GDP, USD bn (2000, 2024, 2030F)

Rank (2000)		Rank (2024)		Rank (2030F)		USD bn (2030F)	Share of Global GDP (2030F)	Avg. Real GDP Growth Rate (2024-2030)
1	U.S.	1	U.S.	1	U.S.	36,814	25%	2.1%
2	Japan	2	China	2	China	26,337	18%	4.2%
3	Germany	3	Germany	3	India	6,770	5%	6.5%
4	U.K.	4	Japan	4	Germany	5,576	4%	0.7%
5	France	5	India	5	Japan	4,995	3%	0.6%
6	China	6	U.K.	6	U.K.	4,956	3%	1.3%
7	Italy	7	France	7	France	3,755	3%	1.1%
8	Canada	8	Italy	8	Canada	2,792	2%	1.6%
9	Mexico	9	Canada	9	Italy	2,779	2%	0.7%
10	Brazil	10	Brazil	10	Brazil	2,680	2%	2.4%
11	Spain	11	Russia	11	Russia	2,384	2%	1.5%
12	South Korea	12	South Korea	12	Spain	2,201	2%	2.1%
13	India	13	Mexico	13	Australia	2,182	2%	2.0%
14	Netherlands	14	Australia	14	Mexico	2,152	1%	1.7%
15	Australia	15	Spain	15	South Korea	2,150	1%	1.9%
16	Iran	16	Indonesia	16	Indonesia	2,066	1%	5.0%
17	Taiwan, China	17	Türkiye	17	Türkiye	1,776	1%	3.7%
18	Argentina	18	Netherlands	18	Netherlands	1,514	1%	1.3%
19	Switzerland	19	Saudi Arabia	19	Saudi Arabia	1,374	1%	3.3%
20	Russia	20	Switzerland	20	Poland	1,305	1%	2.9%
					World	**149,578**	**100%**	**3.2%**

Source: IMF World Economic Outlook October 2025, ANDAMAN PARTNERS Analysis

Emerging markets & developing economies account for USD 45.3 trillion, or 30%, of global GDP, led by China with USD 18.8 trillion, followed by India (USD 3.9 trillion) and Indonesia (USD 1.4 trillion)

China and the Composition of Global GDP (2024)



Notes: 1. Developed Asia includes Japan, South Korea, Singapore, Taiwan (China), Macao SAR (China) and Hong Kong SAR (China). 2. EITs are economies referred to by the UN as "Economies in Transition" and include Russia, among other former Soviet states. 3. Other Developing Asia includes Türkiye, Saudi Arabia, Thailand, Iran, UAE, Israel, Malaysia, Philippines, Pakistan, Bangladesh, Vietnam, Iraq, Qatar, Kuwait, Sri Lanka, Oman, Myanmar, Lebanon, Bahrain, Nepal, Cambodia, Afghanistan, Lao PDR, Yemen, Brunei, Mongolia, Fiji, Maldives and Bhutan. Source: IMF, National Bureau of Statistics of China, ANDAMAN PARTNERS Analysis

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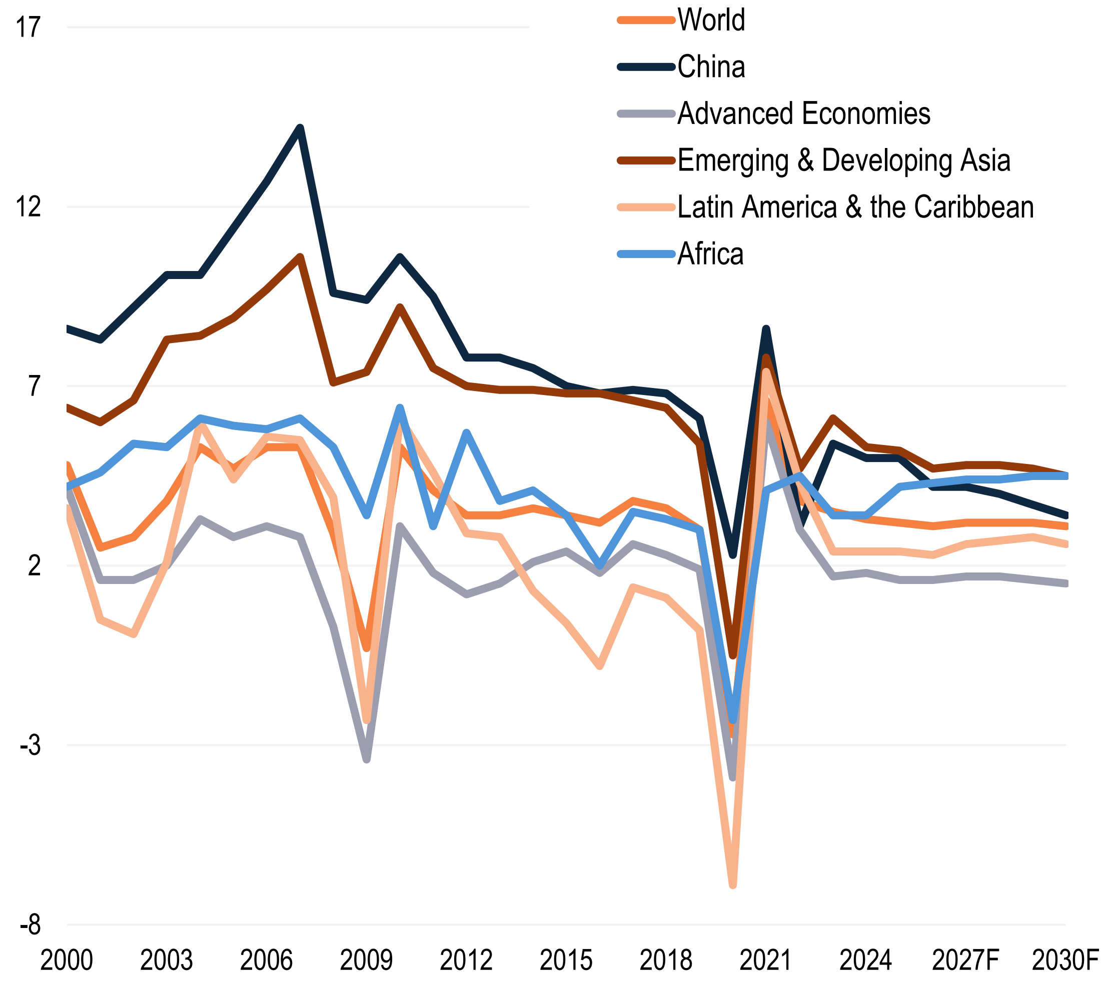
China's economic growth has slowed but is still formidable. From leading global growth up to the 2010s, China's growth in the 2020s trails that of Developing Asia and will soon trail that of Africa. But growth remains solid for the size of its GDP, and quality growth matters more than rapid growth

Real GDP Growth, % (2000-2030F)



Global GDP Breakdown, % Share (1995-2026E)

Region / Country	2000	2005	2010	2015	2020	2021	2022	2023	2024	2026E
World GDP, USD tn	**34.26**	**48.09**	**67.03**	**75.83**	**86.05**	**98.22**	**102.40**	**106.93**	**111.11**	**123.6**
World GDP	100	100	100	100	100	100	100	100	100	100
Advanced Economies	**79**	**76**	**65**	**60**	**60**	**59**	**58**	**58**	**58**	**58**
U.S.	30	27	22	24	25	24	25	26	26	26
Euro Area	19	22	19	16	15	15	14	15	15	15
Japan	15	10	9	6	6	5	4	4	4	4
Other Advanced Economies	8	9	9	9	9	9	9	8	8	8
Emerging Market & Developing Economies (EM&DEs)	**21**	**24**	**35**	**40**	**40**	**41**	**42**	**42**	**42**	**42**
China	4	5	9	15	18	19	18	17	17	17
Latin America & the Caribbean	7	6	8	7	5	5	6	6	6	6
Africa	2	3	3	4	3	3	3	3	3	3
Other EM&DEs	9	11	15	14	14	15	16	15	16	16

Source: IMF, ANDAMAN PARTNERS Analysis

China's GDP grew by 5.0% in 2025, hitting the government's target. Up to 2030, growth should be around 4-5% — higher growth would imply unsustainable stimulus and is not a government target; instead, the focus is on quality, sustainability and resilience in the domestic economy

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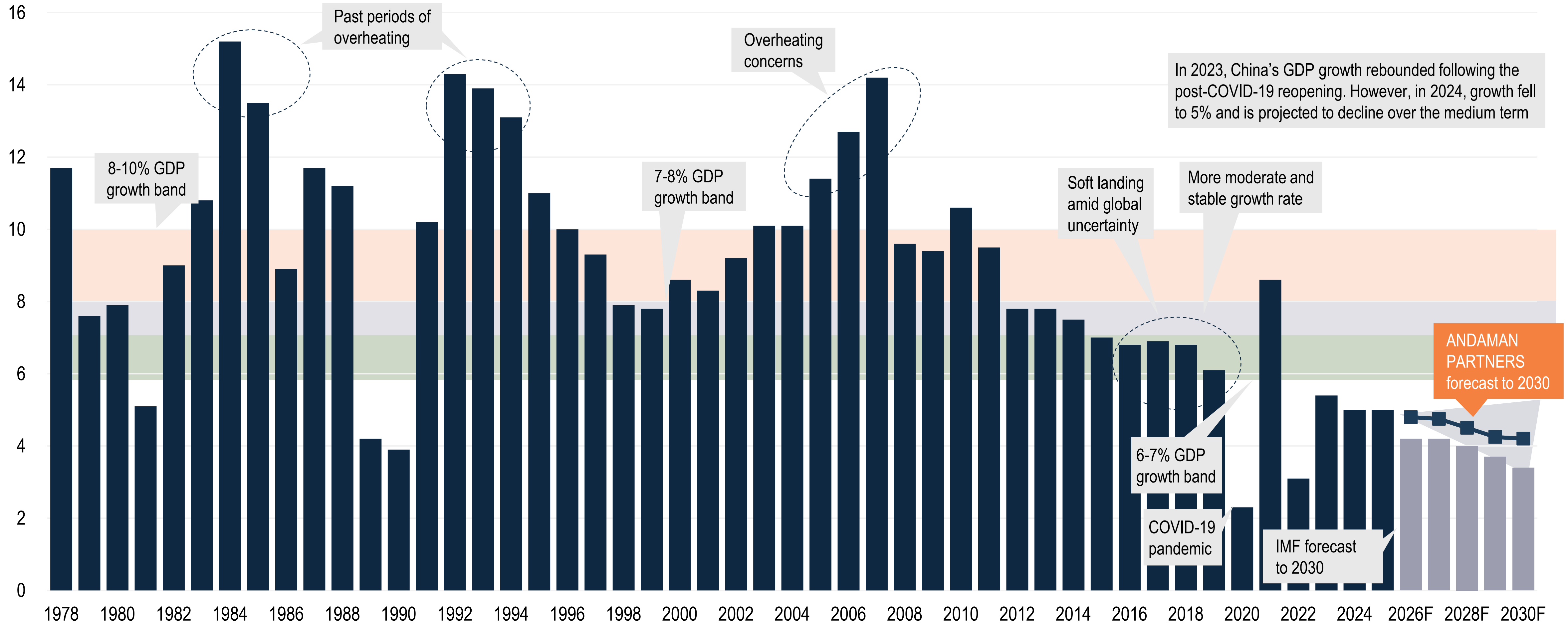
China Real GDP Growth Rate, Y-o-Y % (1978-2030F)



Source: World Bank, IMF, ANDAMAN PARTNERS Analysis

The period 2000-2018 was an era of Fixed Asset Investment (FAI)-led GDP growth in China, with a focus on transport, industry and real estate. Peaking in 2018 amid concerns over over-capacity and debt, slower annual FAI growth since then has been a key factor in slowing GDP growth

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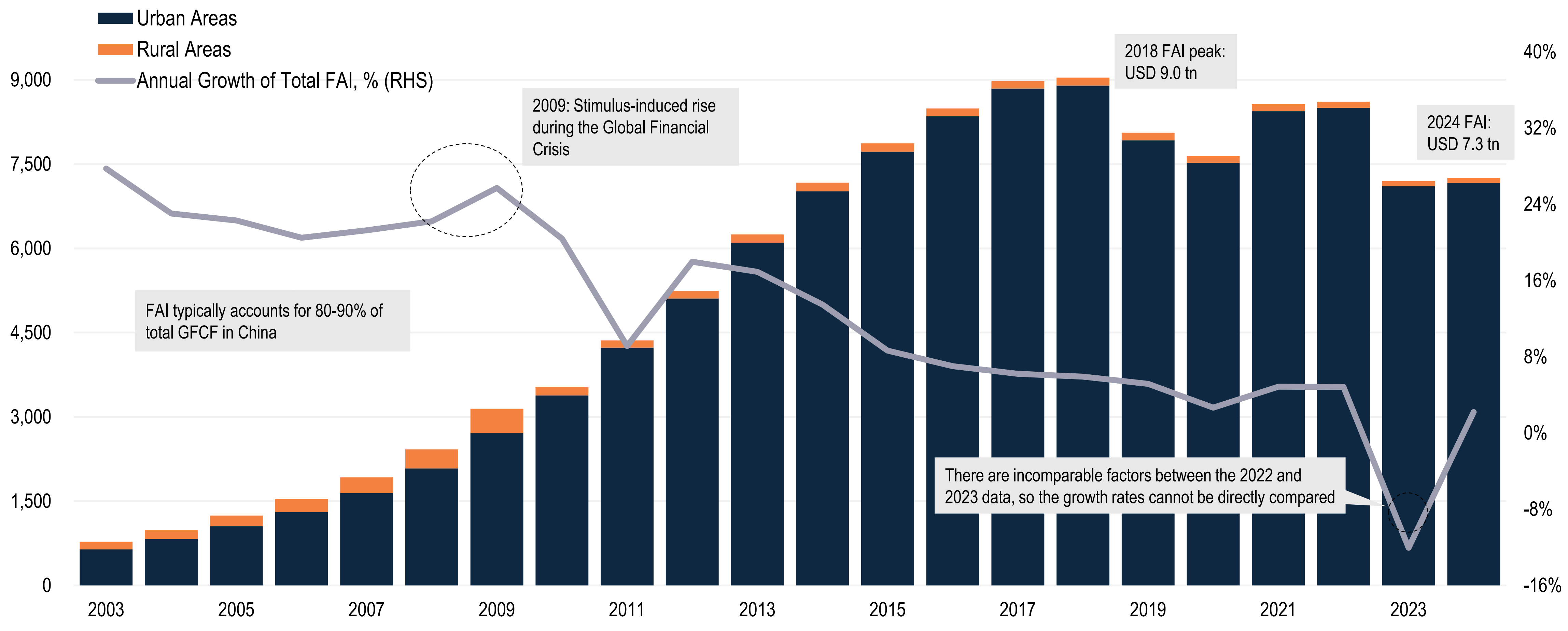
China Annual Fixed Asset Investment in Urban and Rural Areas, USD bn (2003-2024)



Note: Local governments often overstate their Fixed Asset Investment figures, with some reported FAI figures even exceeding GDP in certain provinces. In June 2013, the National Bureau of Statistics of China announced a pilot reform of data collection related to Fixed Asset Investment to enhance the reliability of local economic statistics. Source: National Bureau of Statistics of China, ANDAMAN PARTNERS Analysis

China GDP outlook: Slower growth and adjustments bring many and variable opportunities with (and within) China for strategies and tactics, competitive operating models, inbound and outbound supply chains and capital choices

- China is in a long-term structural adjustment phase towards lower GDP growth, but is still one of the most significant contributors to global growth.
- China's GDP grew by only 3.1% in 2022 but rebounded to 5.4% in 2023, 5% in 2024 and 5% again in 2025. In 2026, growth is expected to be around 4.8%.
- China is the world's largest exporter and second-largest importer. China's position as a trade leader and its large trade surplus provide it with economic heft but complicate its international relations (and dependencies).
- Supply chains are being redrawn globally, revealing vulnerabilities even for major players like China. This is driving a rapid reconfiguration of sourcing, manufacturing and logistics, accelerating new trade partnerships across regions and industries — creating both risk and opportunity.
- China's economy faces several structural and cyclical pressures, and the old model is no longer relevant. To address this, the country is undertaking painful reforms and implementing policy measures to strengthen the real estate sector, domestic manufacturing and domestic consumption.
- China's global impact and influence are only increasing. BRICS+, FOCAC and various other forums are testimony to this. Moreover, investments in the Belt & Road Initiative ensure China continues to expand its influence on global trade and investment.
- Despite growing complexity, increased outward investment, increased trade in high-end products and rising domestic consumption are traits of China's new economic growth model.
- **Political and business leaders must consider the many and variable opportunities with and in China for strategies and tactics, competitive operating models, inbound and outbound supply chains and capital choices (as well as investment decisions).**

Source: ANDAMAN PARTNERS Analysis

Global Overview: Global Resources Context 2026

Commodity markets are expected to remain volatile, but CHINA REMAINS A CRITICAL ANCHOR OF BASELINE DEMAND

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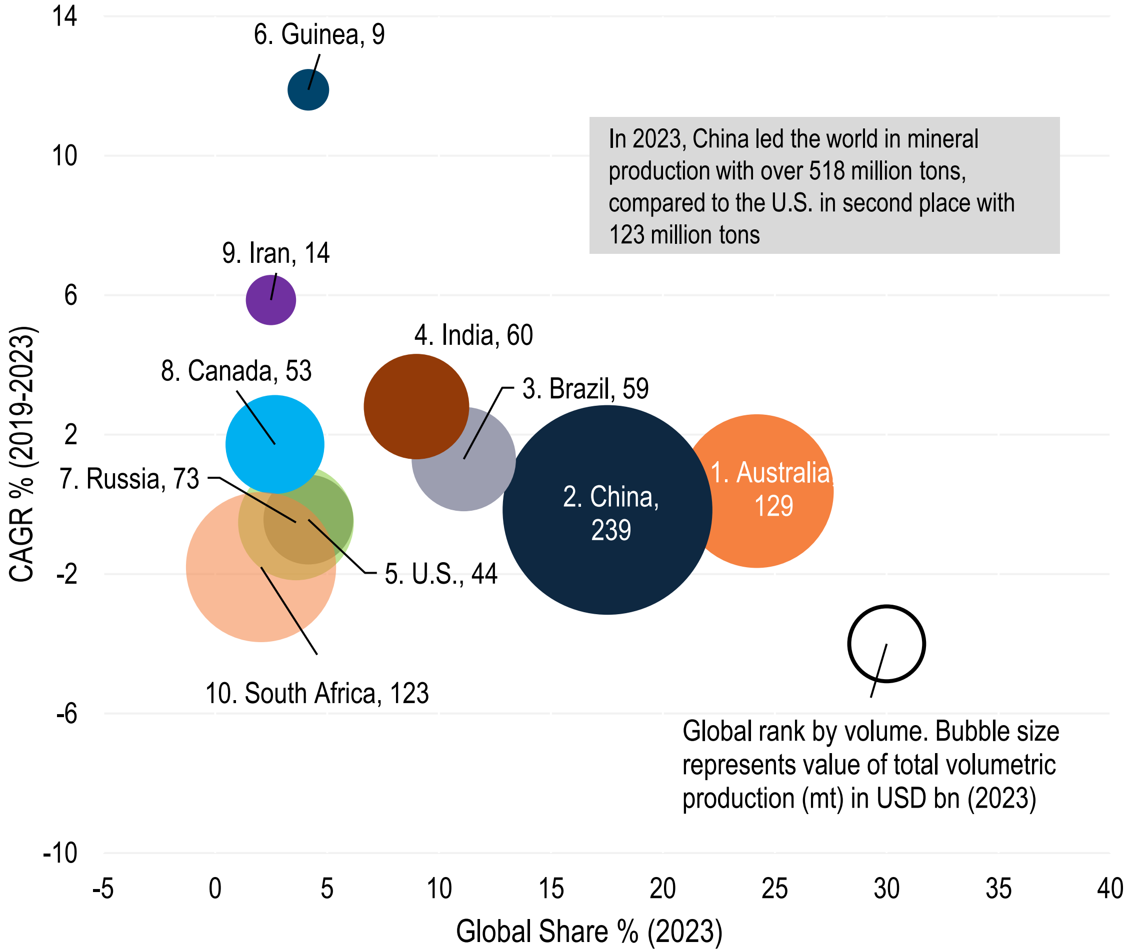
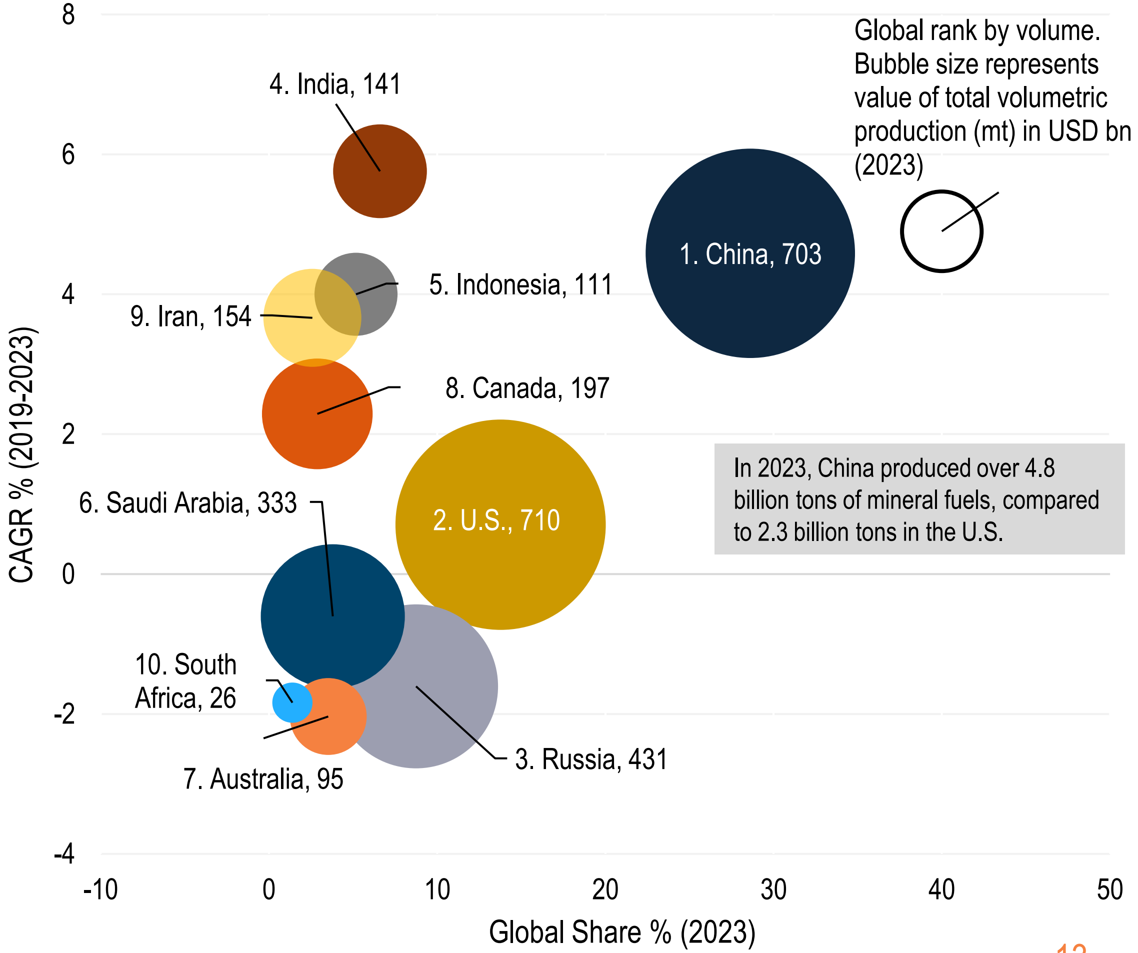
China is the world's largest producer of minerals and mineral fuels, with unmatched scale in aluminium and coal that anchors global supply and gives it structural influence over prices and production economics

Top 10 Producers by Volume: Iron, Base Metals, Industrial Minerals, Bauxite and Precious Metals,* CAGR (2019-2023) and Global Share (2023)



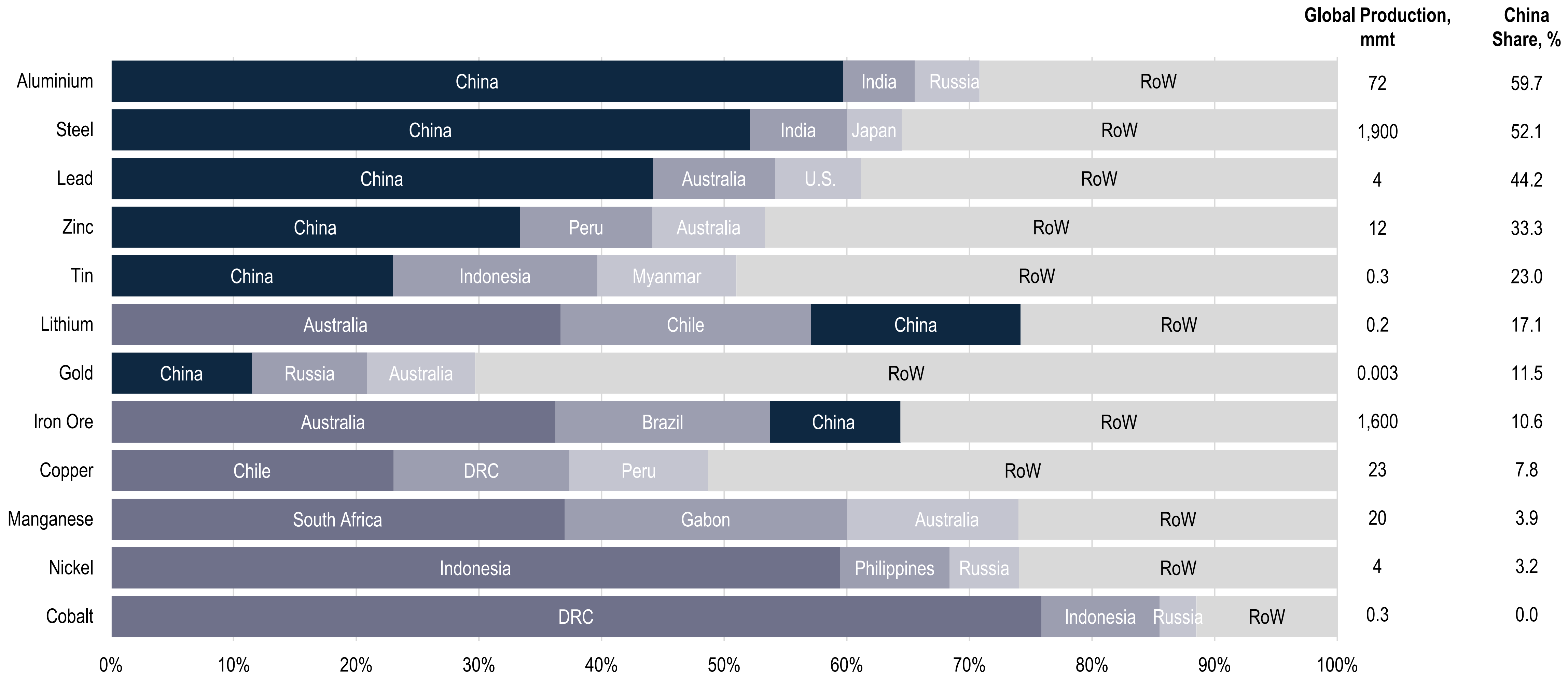
Top 10 Producers by Volume: Coal, Lignite, Petroleum, Natural Gas, Oil Shales and Uranium,* CAGR (2019-2023) and Global Share (2023)



* Note: Minerals include iron, base metals, industrial minerals, bauxite and precious metals. Mineral Fuels include steam coal, coking coal, lignite, petroleum, petroleum sands, natural gas, oil shales and uranium.
Source: World Mining Data 2025, ANDAMAN PARTNERS Analysis

China is among the three largest global producers of various minerals and metals, including zinc, lead, tin, lithium and gold, but lacks significant domestic production of copper, manganese, nickel and cobalt

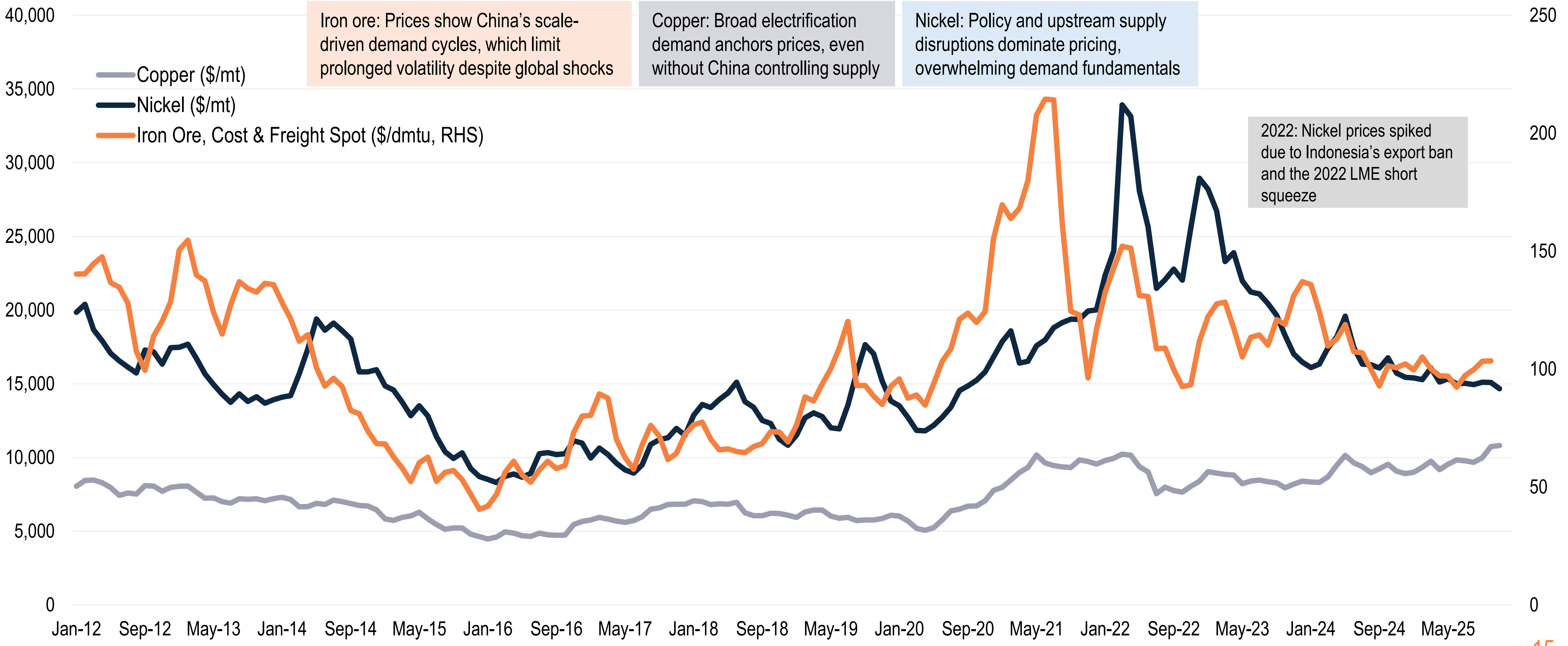
Top 3 Producers of Selected Minerals, Global Share % (2024E)



Source: USGS MCS 2025, ANDAMAN PARTNERS Analysis

In 2026, commodity markets face continued volatility, but China's evolving production base, policy support and scale continue to anchor global demand and provide a stabilising force across key metals markets

Global Prices of Selected Minerals, USD (Jan. 2012-Dec. 2025)



Note: LME – London Metal Exchange, MT – Metric tonne, DMTU – Dry Metric Tonne Unit measures contained metal. Source: World Mining Data, World Bank, ANDAMAN PARTNERS Analysis

The post-COVID global commodity cycle: Ongoing volatility and doubts about demand from China. Geopolitics has become a persistent driver of volatility, and in 2026, commodity markets are expected to remain volatile rather than trend-driven

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- The global commodities cycle has shifted decisively from the China-led supercycle of the 2000s to a structurally more volatile regime. Rapid industrialisation and double-digit growth in China drove sustained demand for energy, metals and raw materials during the 2000s, pushing prices, led by oil and copper, well above long-term averages for extended periods.
- As China's growth began to moderate in the 2010s, this demand anchor weakened. Commodity markets became increasingly sensitive to exogenous shocks, with heightened volatility driven by geopolitical tensions, trade disputes and the deterioration of U.S.-China relations. Price cycles shortened, and downside risks became more frequent.
- The COVID-19 shock in 2020 marked a sharp inflexion point. Commodity prices collapsed amid a sudden stop in global demand and severe supply-chain disruptions, only to rebound forcefully in 2021-2022 as economies reopened. That rebound was amplified by underinvestment, logistics bottlenecks and, in energy markets, geopolitical conflict. Several commodities, including natural gas, coal and crude oil, reached or approached record highs during this period.
- From 2022 onward, geopolitics became a persistent driver of volatility. Energy and metals markets were disrupted by conflict and sanctions, while 2023 brought additional macroeconomic headwinds: high inflation, aggressive monetary tightening and a sharp rise in the cost of capital. By 2024, oil prices, most industrial metals and agricultural commodities eased, while precious metals—particularly gold—and natural gas outperformed amid financial uncertainty and regional supply tightness.
- Looking ahead to 2026, commodity markets are expected to remain volatile rather than trend-driven. Global growth risks, the re-emergence of trade tariffs and fragmented supply chains continue to weigh on sentiment. At the same time, China remains the world's largest consumer of metals, even as its demand profile evolves. A weaker property sector and slower infrastructure growth will temper volumes in traditional construction-linked commodities such as iron ore, copper, aluminium and nickel.
- However, this does not imply that China is retreating from global resource markets. China's demand is becoming more targeted, shifting toward higher-value manufacturing, grid investment, electrification, defence and the energy transition. These sectors are structurally less cyclical, more policy-supported and increasingly materials-intensive.
- **For mining companies, China remains a critical anchor of baseline demand, a stabilising force in metals markets and a central participant in shaping long-term trade flows, pricing dynamics and investment incentives, even in a more volatile global commodity environment.**

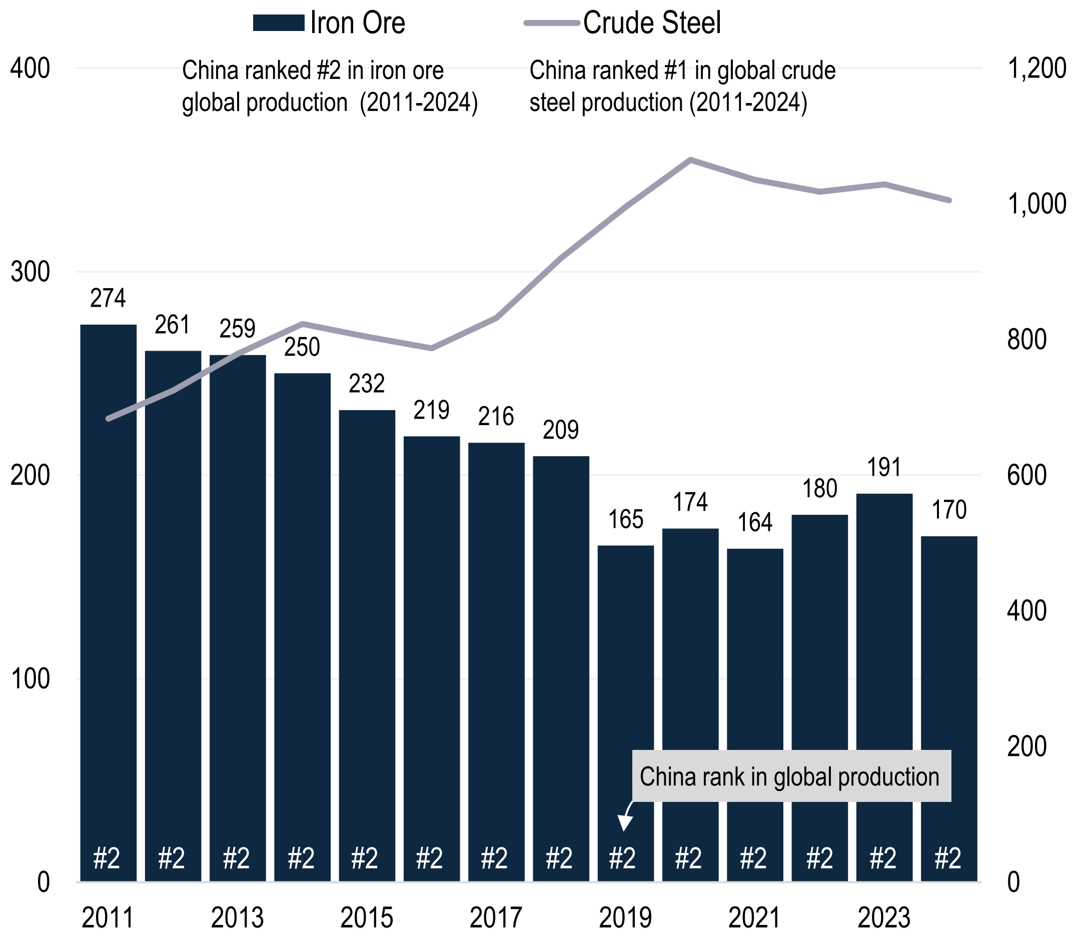
Source: ANDAMAN PARTNERS Analysis

China's Comprehensive Role in Global Resources:
Production, Consumption and Trade

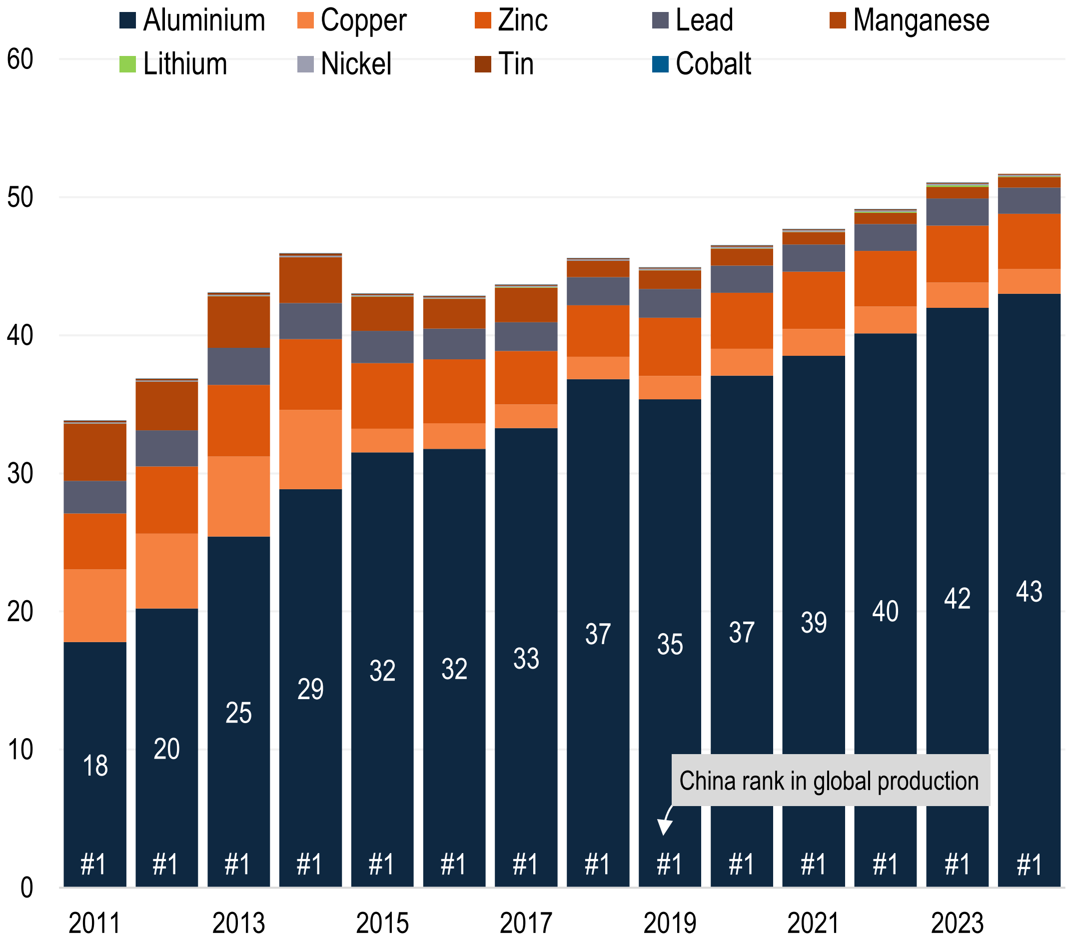
China is typically the world's LARGEST PRODUCER, LARGEST CONSUMER and LARGEST IMPORTER of mining commodities

China is the world's largest producer of aluminium and the second-largest producer of iron ore, and it plays a significant role across many other commodities, reinforcing its position as a core pillar of global resource supply

China Production of Iron Ore, mmt (LHS) vs Crude Steel, mmt (RHS) (2011-2024)



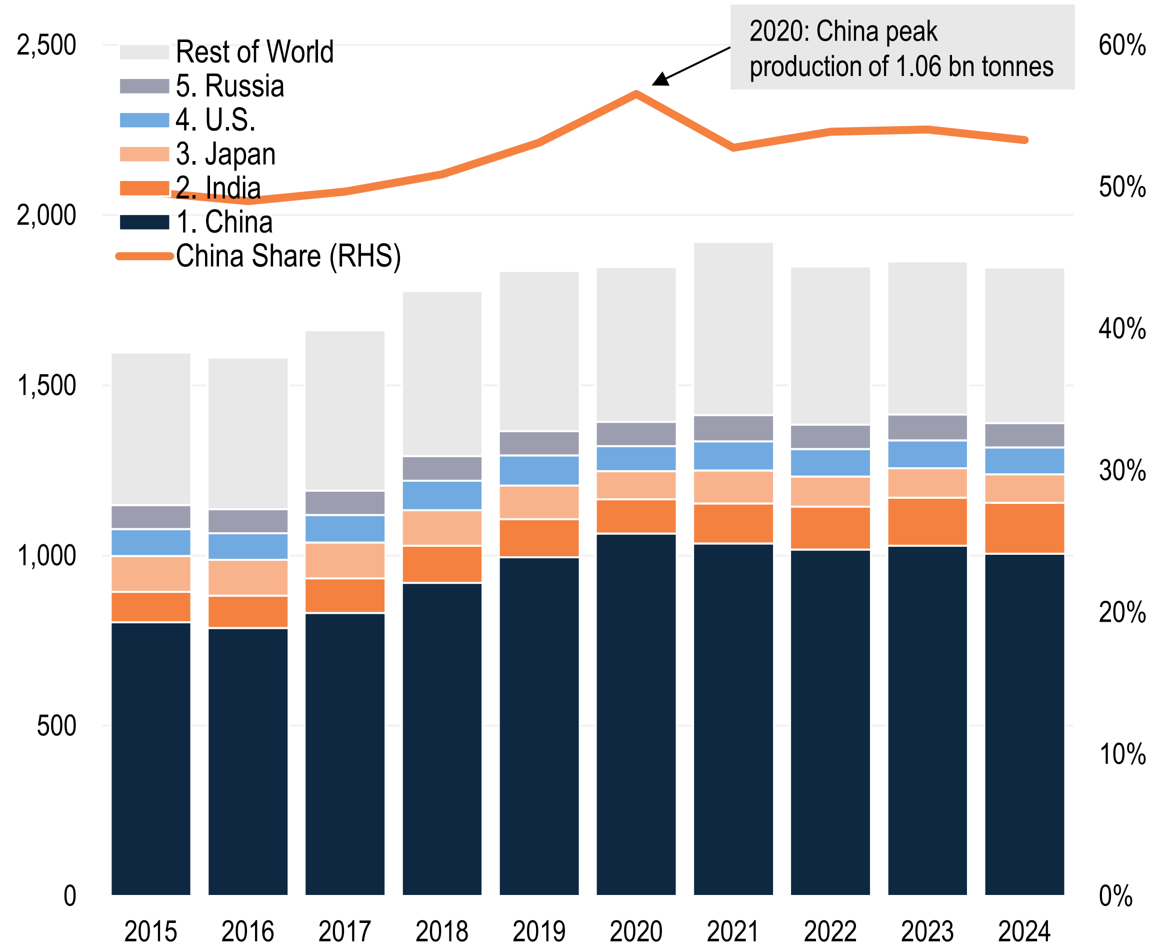
China Production of Selected Commodities, mmt (2011-2024)



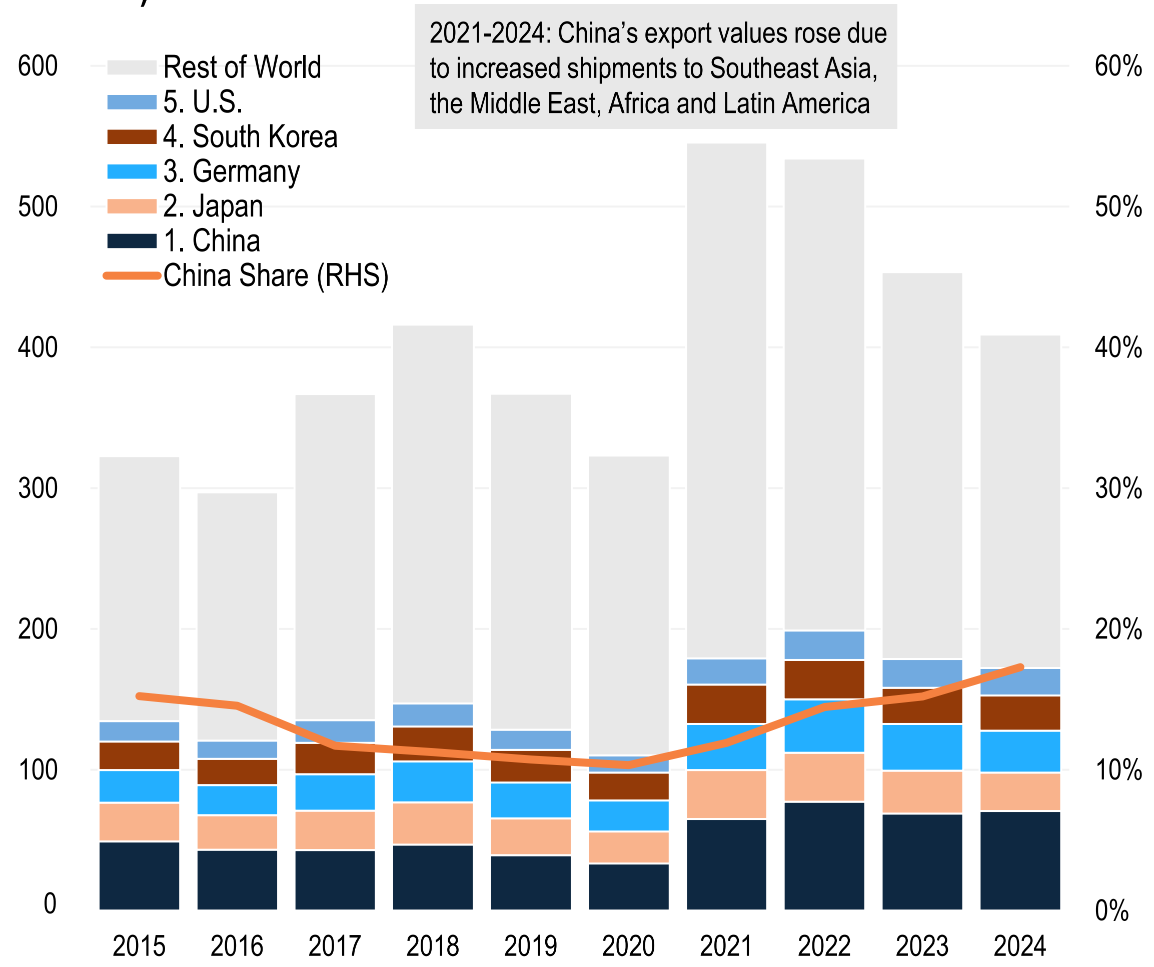
Note: Mmt – Million metric tons. Due to a change in reporting methodology, data prior to 2019 reflect gross ore, while later data show usable ore and iron content. Source: World Mining Data 2025, USGS Mineral Commodity Summaries 2025, ANDAMAN PARTNERS Analysis

China is the anchor of global steel production, accounting for more than 50% of world crude steel output from 2018 to 2024, with output consistently exceeding 1 billion tonnes since 2020. In 2024, China accounted for 1 in 5 dollars of global steel exports

Global Crude Steel Production: China vs Top 2-5 Producers and Rest of World, Mn Metric Tonnes (2015-2024)



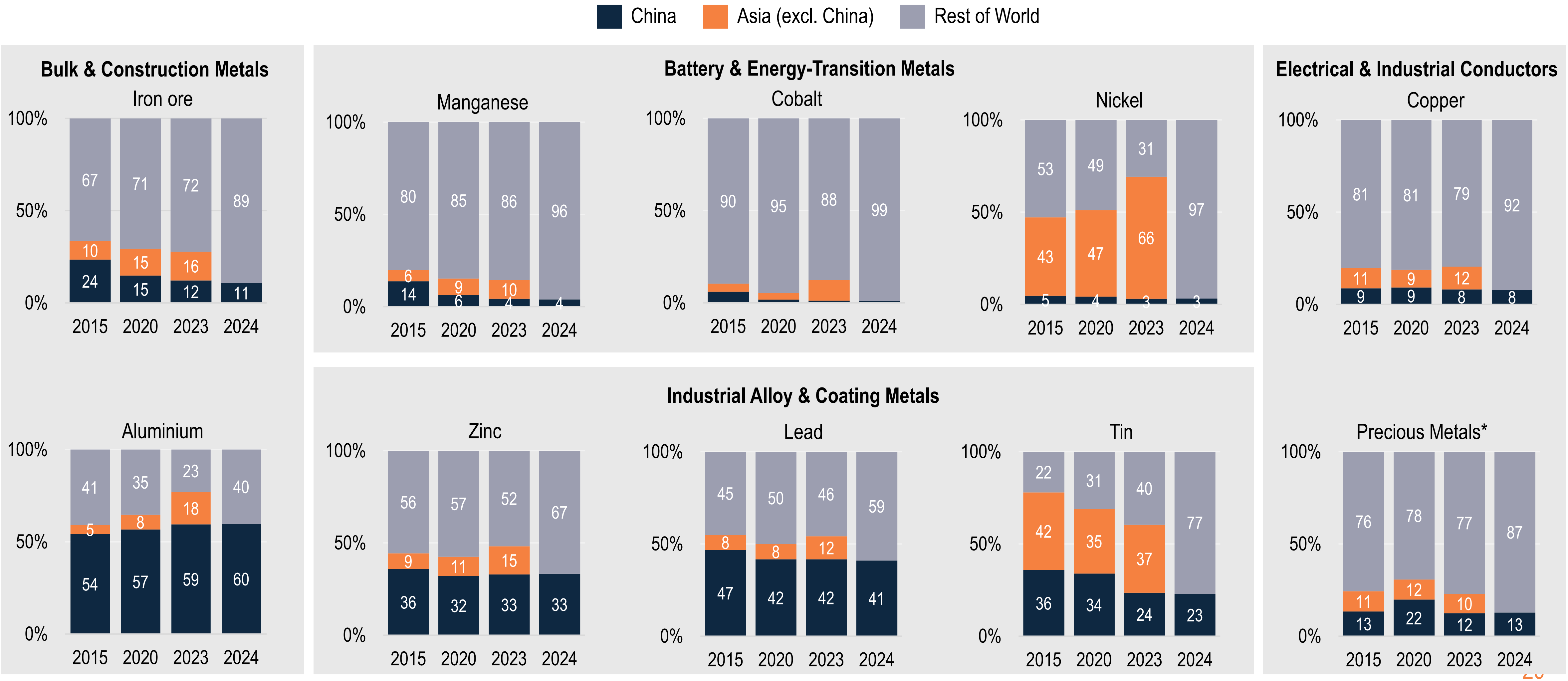
Global Steel* Trade: China vs Top 2-5 Exporters and Rest of World, USD bn (2015-2024)



Note: Top five producers and exporters based on cumulative data 2015-2024. *Steel trade refers to UN Comtrade HS72 (Iron & Steel), measured in USD (FOB), encompassing a wide range of materials from primary forms to finished products, e.g., pig iron, ferro-alloys, ferrous waste and scrap, and various semi-finished and finished steel products. Source: UN Comtrade, World Steel Association, ANDAMAN PARTNERS Analysis

China's commanding position in global metals production now extends across construction, industrial and precious metals: China produces almost 60% of global aluminium, 41% of lead, 33% of zinc, 23% of tin and 13% of precious metals

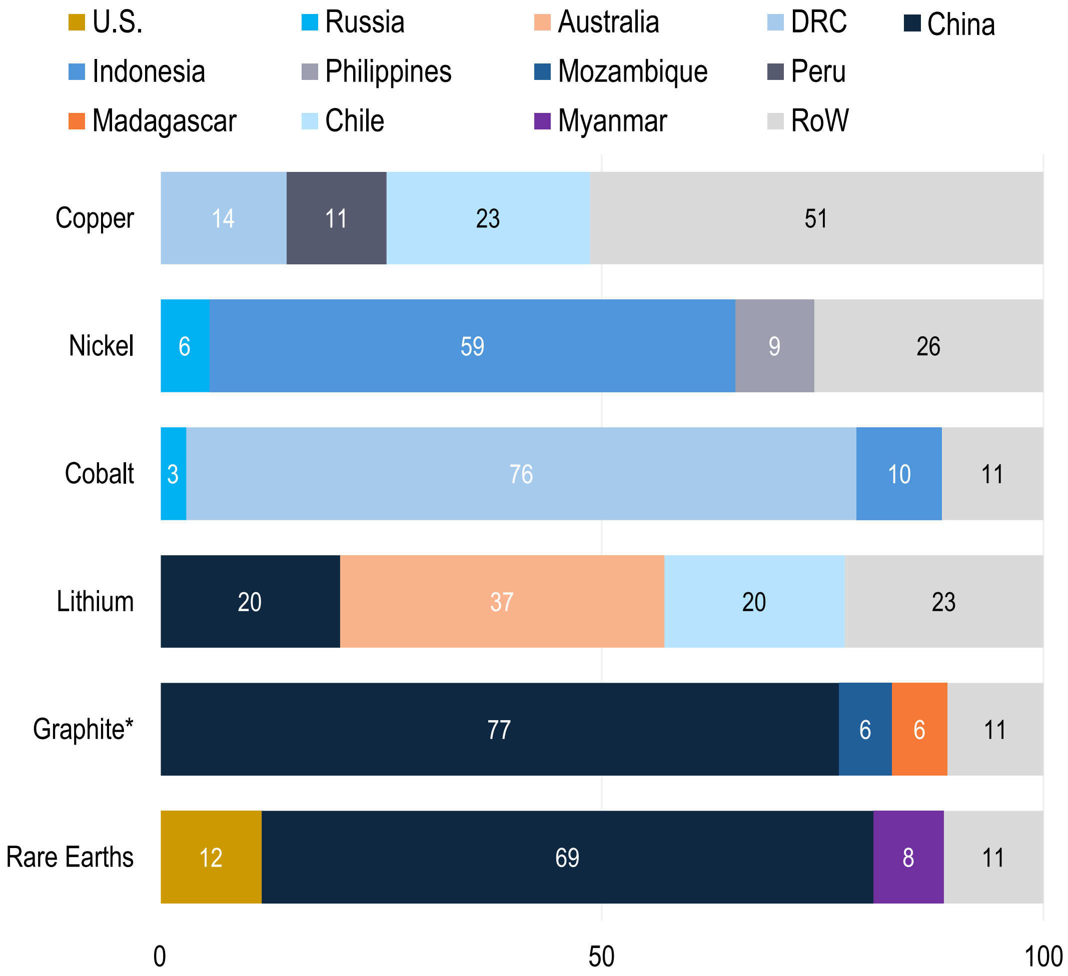
China Share of Global Production of Selected Metals & Minerals % (2015, 2020, 2023 & 2024)



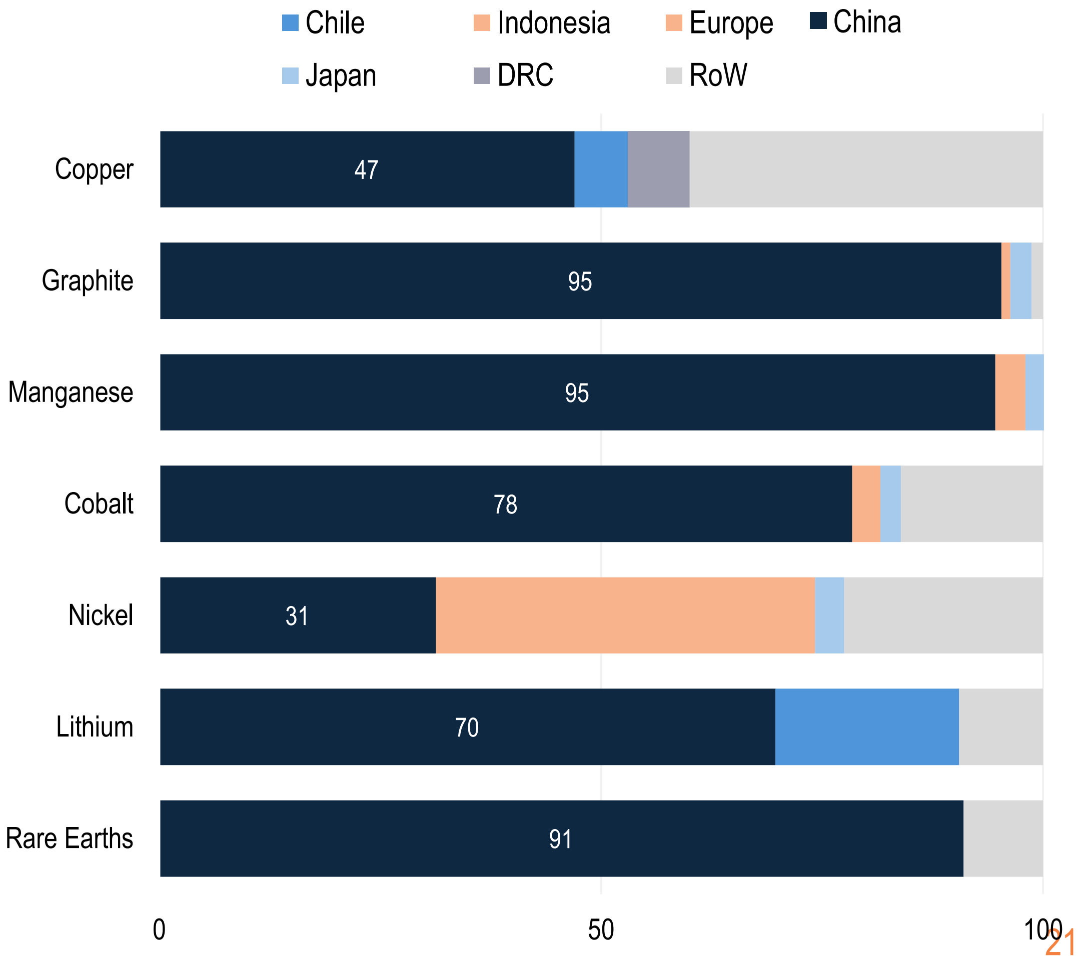
Note: Precious Metals include Gold, Palladium, Platinum, Rhodium and Silver. Note: Asia data not available for 2024. Source: World Mining Data, ANDAMAN PARTNERS Analysis

Mining is global, but processing is Chinese, making China the central control point in mineral supply chains and a primary source of strategic leverage influencing pricing power, supply security and geopolitical outcomes in global resource markets

Top 3 Producers of Selected Minerals, Global Share % (2024)



Top 3 Processors of Selected Minerals, Global Share % (2024)



Note: Production data for Graphite is for 2023. Source: IEA, ANDAMAN PARTNERS Analysis

China ranks among the world's top three producers and holders of reserves across a wide range of minerals and metals, providing significant leverage in global resource security and the energy transition

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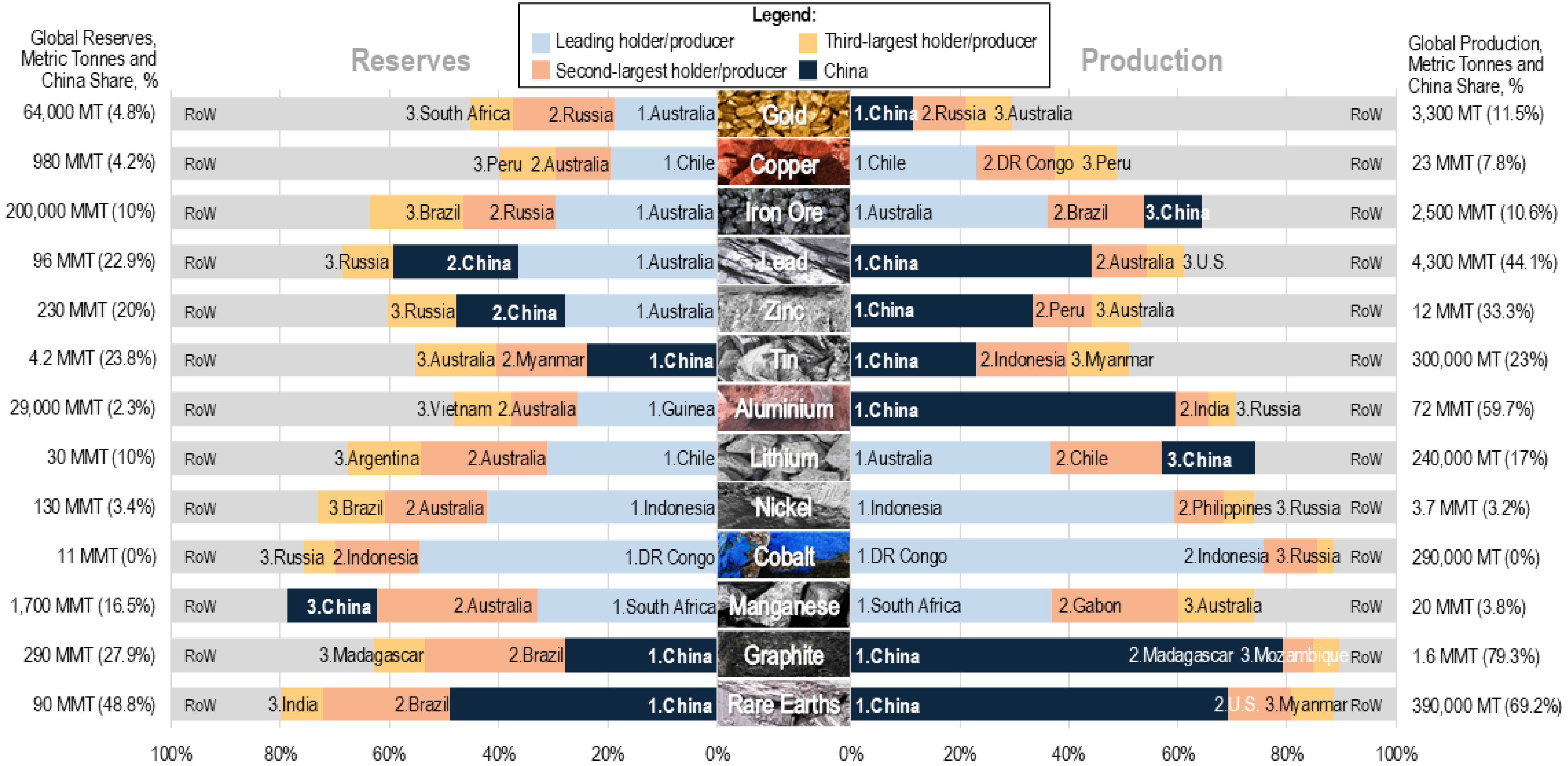
Strategic Minerals and Metals: Top 3 Holders of Reserves and Producers, % Share (2024)



Global Reserves, Metric Tonnes and China Share, %	Reserves (1 / 2 / 3)	Mineral	Production (1 / 2 / 3)	Global Production, Metric Tonnes and China Share, %
64,000 MT (4.8%)	1.Australia / 2.Russia / 3.South Africa	Gold	1.China / 2.Russia / 3.Australia	3,300 MT (11.5%)
980 MMT (4.2%)	1.Chile / 2.Australia / 3.Peru	Copper	1.Chile / 2.DR Congo / 3.Peru	23 MMT (7.8%)
200,000 MMT (10%)	1.Australia / 2.Russia / 3.Brazil	Iron Ore	1.Australia / 2.Brazil / 3.China	2,500 MMT (10.6%)
96 MMT (22.9%)	1.Australia / 2.China / 3.Russia	Lead	1.China / 2.Australia / 3.U.S.	4,300 MMT (44.1%)
230 MMT (20%)	1.Australia / 2.China / 3.Russia	Zinc	1.China / 2.Peru / 3.Australia	12 MMT (33.3%)
4.2 MMT (23.8%)	1.China / 2.Myanmar / 3.Australia	Tin	1.China / 2.Indonesia / 3.Myanmar	300,000 MT (23%)
29,000 MMT (2.3%)	1.Guinea / 2.Australia / 3.Vietnam	Aluminium	1.China / 2.India / 3.Russia	72 MMT (59.7%)
30 MMT (10%)	1.Chile / 2.Australia / 3.Argentina	Lithium	1.Australia / 2.Chile / 3.China	240,000 MT (17%)
130 MMT (3.4%)	1.Indonesia / 2.Australia / 3.Brazil	Nickel	1.Indonesia / 2.Philippines / 3.Russia	3.7 MMT (3.2%)
11 MMT (0%)	1.DR Congo / 2.Indonesia / 3.Russia	Cobalt	1.DR Congo / 2.Indonesia / 3.Russia	290,000 MT (0%)
1,700 MMT (16.5%)	1.South Africa / 2.Australia / 3.China	Manganese	1.South Africa / 2.Gabon / 3.Australia	20 MMT (3.8%)
290 MMT (27.9%)	1.China / 2.Brazil / 3.Madagascar	Graphite	1.China / 2.Madagascar / 3.Mozambique	1.6 MMT (79.3%)
90 MMT (48.8%)	1.China / 2.Brazil / 3.India	Rare Earths	1.China / 2.U.S. / 3.Myanmar	390,000 MT (69.2%)

Note: Aluminium reserves use bauxite; production shows primary aluminium smelter output. Copper production shows mine production only. Iron Ore Reserves show crude ore. MT: Metric Tonnes, MMT: Million Metric Tonnes.
Source: USGS Mineral Commodity Summaries 2025, ANDAMAN PARTNERS Analysis

China holds extensive reserves of zinc, manganese, rare earths, lead, tin and graphite, but comparatively limited reserves of nickel, cobalt, lithium and copper, reinforcing its structural reliance on global mining supply for energy-transition metals

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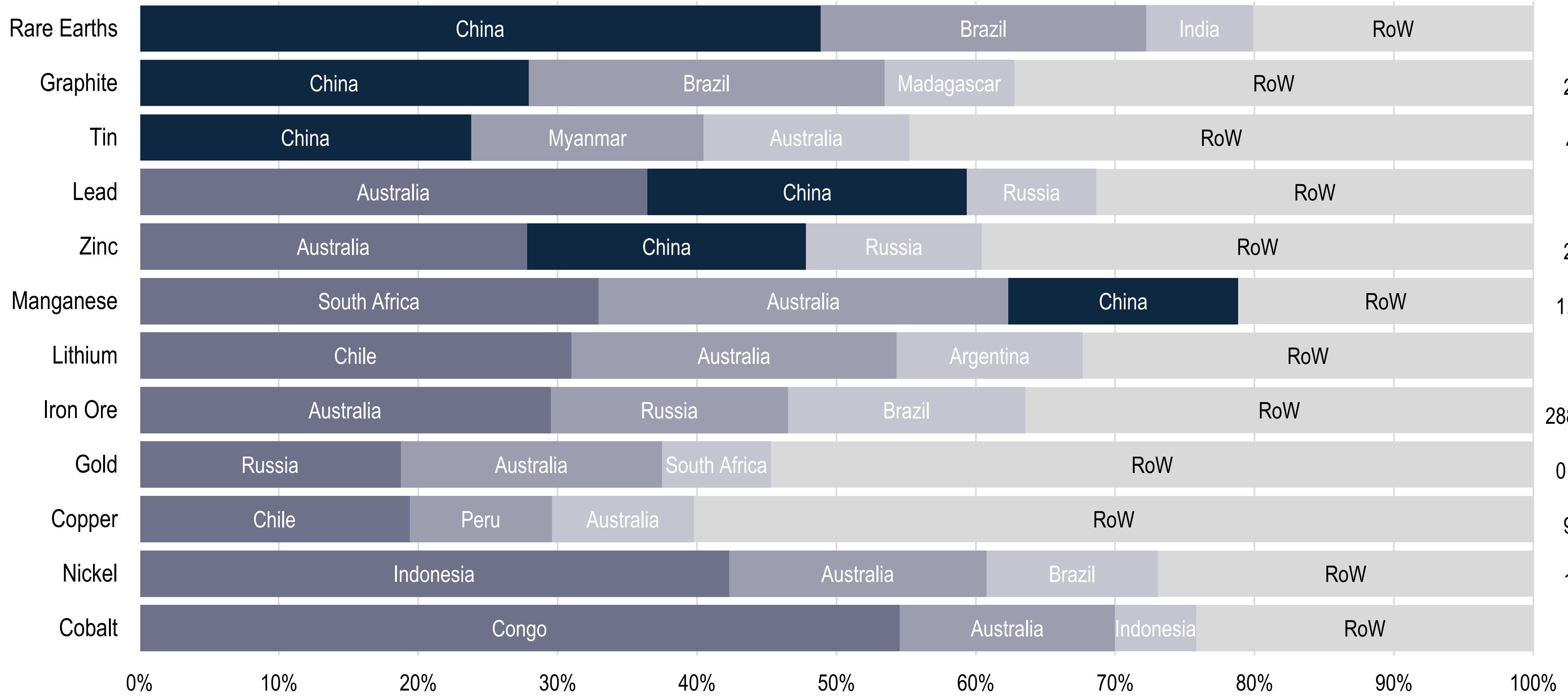
Selected Minerals: Top 3 Countries by Reserves, Global Share % (2024)

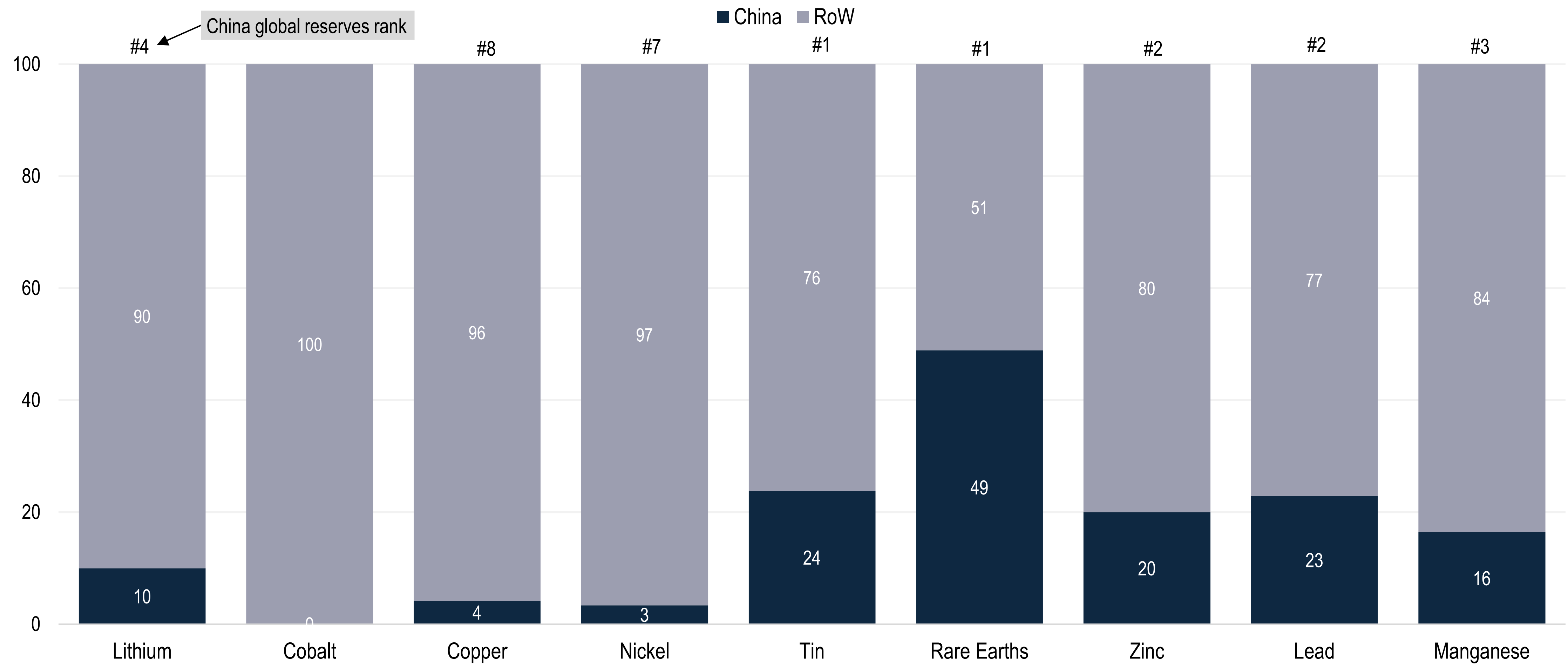


Mineral	Global Reserves, mmt	China Share, %
Rare Earths	90	48.9
Graphite	290	27.9
Tin	4.2	23.8
Lead	96	22.9
Zinc	230	20.0
Manganese	1,700	16.5
Lithium	30	10
Iron Ore	288,000	9.3
Gold	0.064	4.8
Copper	980	4.2
Nickel	130	3.4
Cobalt	11	0.0

Source: USGS Mineral Commodity Summaries 2025, ANDAMAN PARTNERS Analysis

China holds a dominant share of global rare earth reserves but relies heavily on overseas supply for lithium, copper and nickel, a contrast that shapes its global mining strategy, trade relationships and long-term resource security priorities

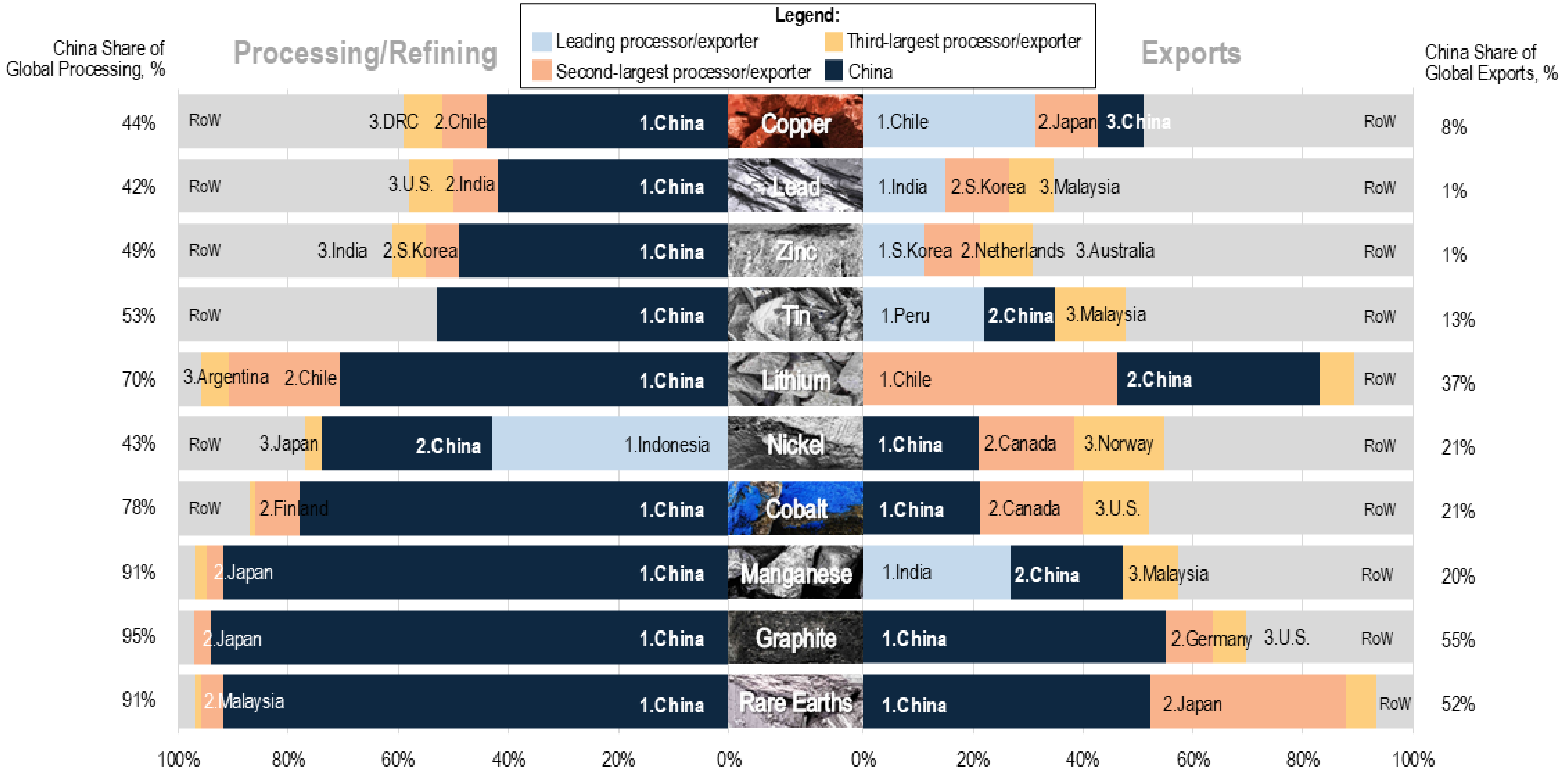
China Reserves of Selected Minerals, Global % Share (2024E)



Note: Cobalt rank not available. USGS Mineral Commodity Summaries 2025, ANDAMAN PARTNERS Analys

China ranks as the world's leading processor of nearly all major minerals and metals, and is also the top exporter of several critical ones—notably nickel, cobalt and rare earth elements—underscoring its pivotal role in global supply chains

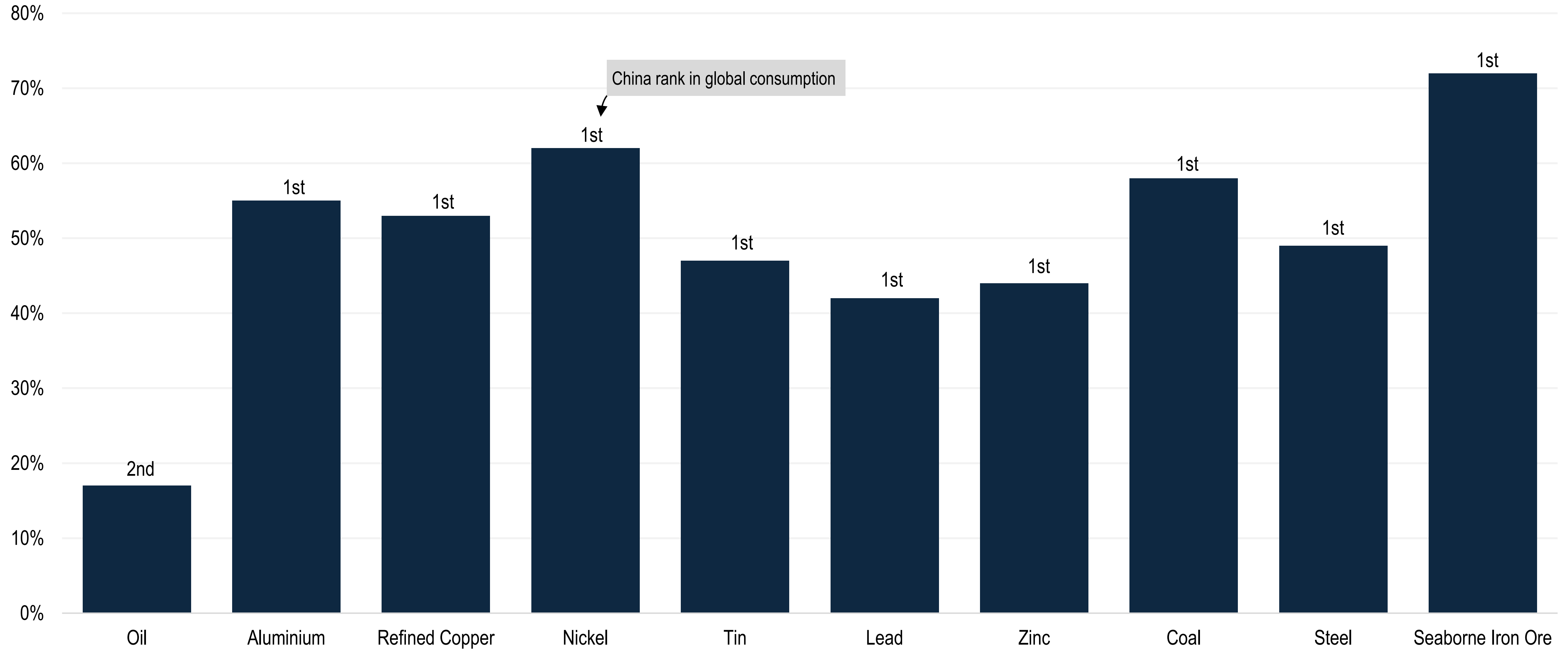
Strategic Minerals and Metals: Top 3 Countries for Processing and Exports, % Share (2024)



Note: Values for Lead refining are for 2023. Source: USGS Mineral Commodity Summaries 2025, ANDAMAN PARTNERS Analysis

China is the world’s dominant consumer across most major commodities, including aluminium, copper, iron ore, steel and coal, while ranking second in oil, giving it unmatched influence over global demand, pricing dynamics and commodity market cycles

China Share of Global Consumption of Selected Minerals, World Ranking % (2024)



Source: Our World in Data, ITO, ILZSG, Reuters, ANDAMAN PARTNERS Analysis

Since 2000, China and Asia have become the primary centres of global metals and minerals consumption, a structural shift that is expected to persist as manufacturing, energy transition and infrastructure investment remain concentrated in Asia

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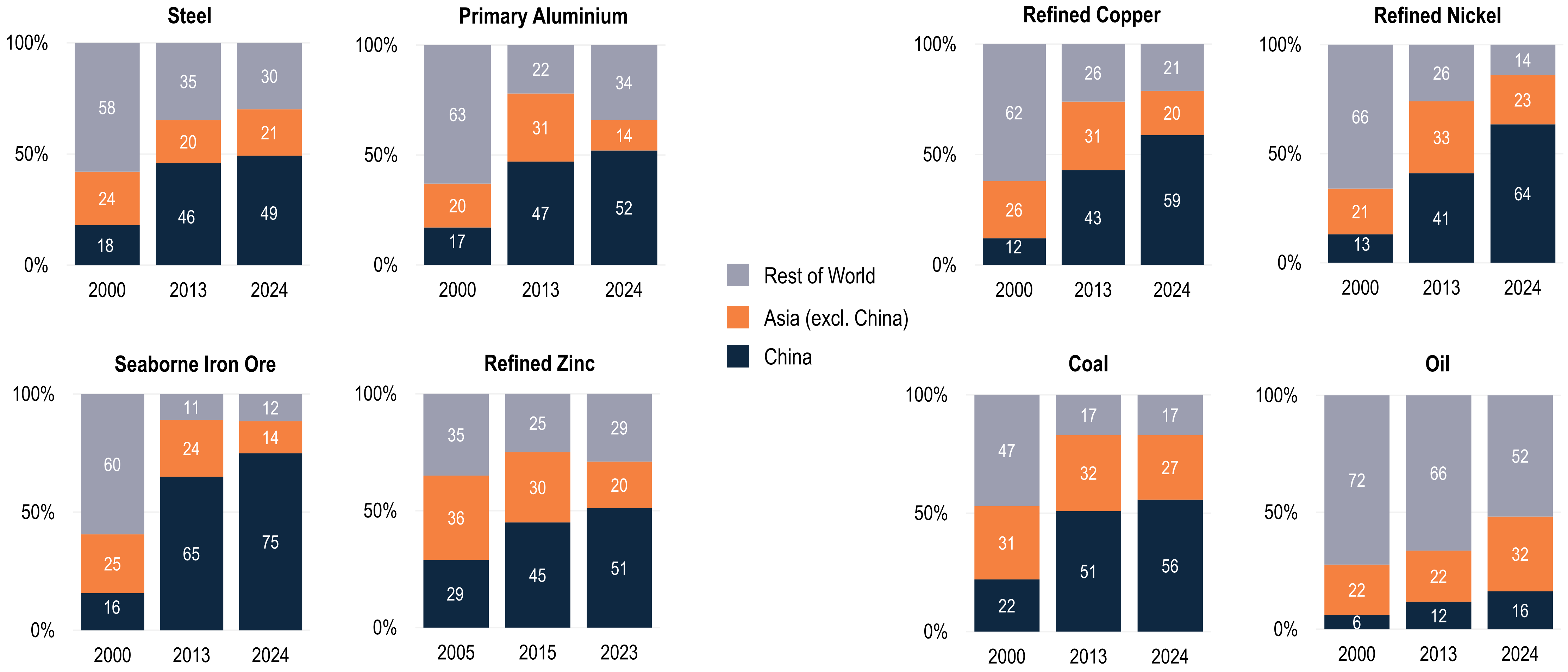
China and Asia Shares of Global Consumption of Selected Minerals, % (Selected years 2000-2024)

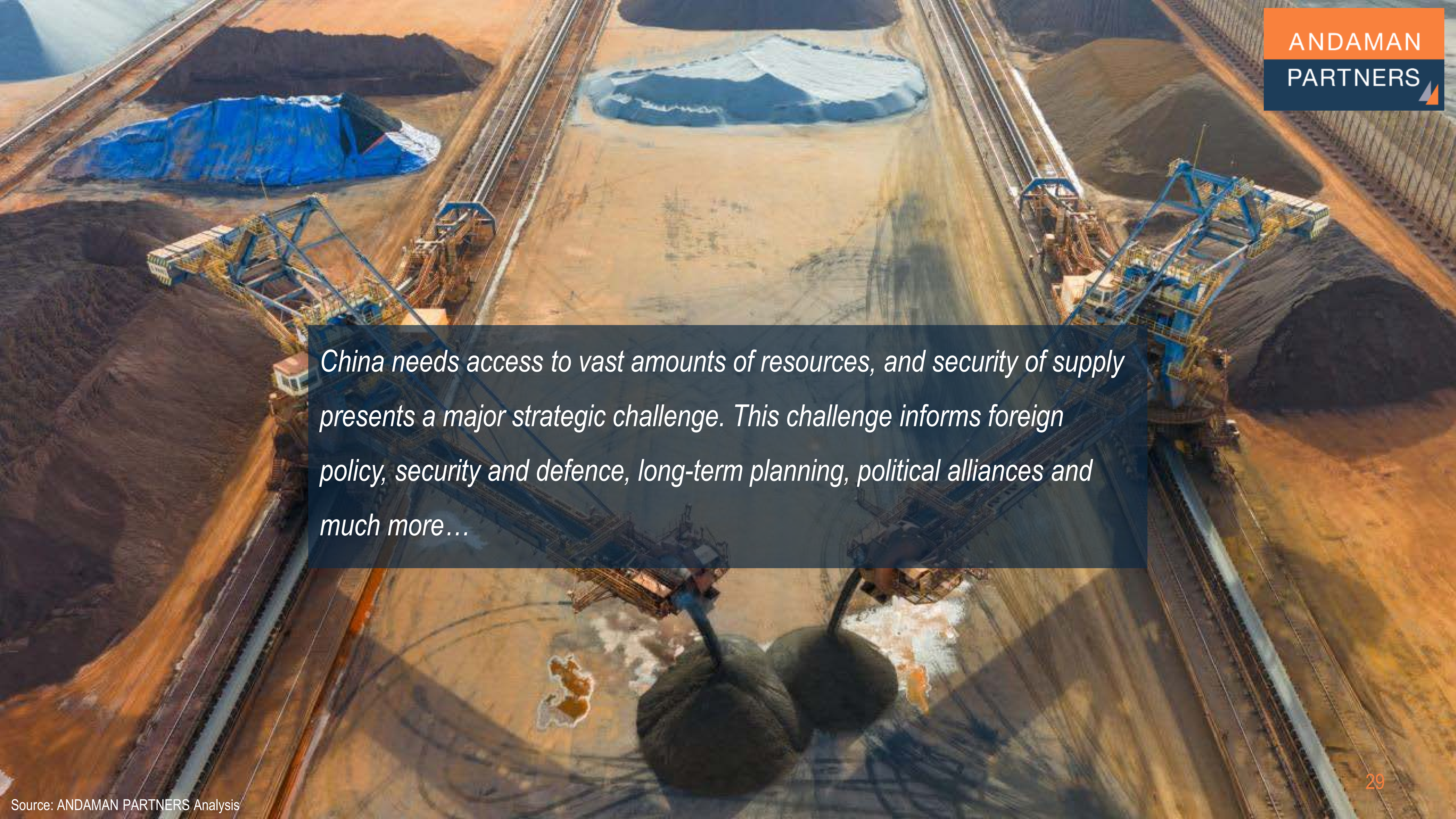


Source: UN Comtrade, ILZSG, Our World in Data, World Steel in figures, World Nickel Factbook, ANDAMAN PARTNERS Analysis

Asia—led by China—now dominates global commodity demand, consuming the majority of key metals and fuels and acting as the primary price-setter, trade anchor and strategic demand centre for global resource markets

- China is the world's largest consumer of coal, aluminium, copper, iron ore and steel, and the second-largest consumer of oil, giving it unmatched influence over marginal demand.
- By 2024, China accounted for 49% of global steel consumption and 52% of primary aluminium, effectively setting baseline demand for industrial metals.
- China consumes 53% of the world's refined copper and 62% of refined nickel, reinforcing its central role in electrification and manufacturing supply chains.
- Demand concentration is most extreme in bulk materials: China absorbs 75% of global seaborne iron ore and 56% of coal consumption.
- China also accounts for 51% of refined zinc consumption, underscoring breadth beyond flagship commodities.
- Asia's consumption surge reflects structural forces, including manufacturing concentration, infrastructure build-out, urbanisation and energy transition investment, rather than cyclical stimulus.
- As a result, pricing power and trade flows are now Asia-centric, with demand signals increasingly set in China rather than advanced economies.
- **For mining companies and traders, exposure to China and Asia is no longer about incremental growth; it is foundational to volumes, pricing stability and long-term capital allocation.**

Source: ANDAMAN PARTNERS Analysis



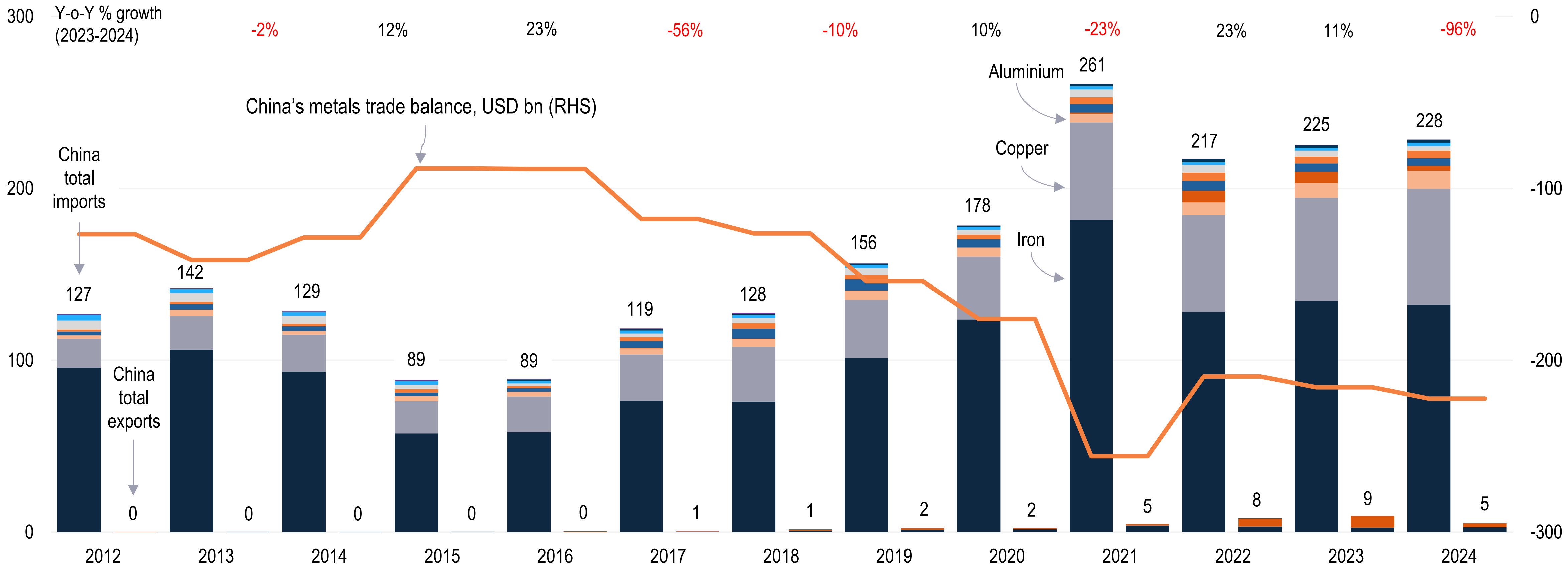
China needs access to vast amounts of resources, and security of supply presents a major strategic challenge. This challenge informs foreign policy, security and defence, long-term planning, political alliances and much more…

Source: ANDAMAN PARTNERS Analysis

China runs large trade deficits for key industrial metals, with imports vastly outweighing exports, including for iron, copper and aluminium. China's heavy reliance on metal imports remains a promising prospect for astute global mining firms able to navigate the opportunity

China Imports and Exports of Selected Metals, USD bn, and China Metals Trade Balance (RHS) (2012-2024)

China Imports Growth	Iron	Copper	Aluminium	Lithium	Manganese	Zinc	Nickel	Lead	Tin	Cobalt
CAGR (2014-2024)	4%	12%	18%	46%	5%	11%	-5%	-1%	16%	-43%
Y-o-Y % growth (2023-2024)	-2%	12%	23%	-56%	-10%	10%	-23%	23%	11%	-96%



Note: Includes ores for all metals. Source: UN Comtrade, TradeMap, ANDAMAN PARTNERS Analysis

Global metals trade is highly concentrated. A handful of countries dominate exports and imports of refined metals, and China appears among the top three importers and exporters for most metals, a dual role no other economy plays

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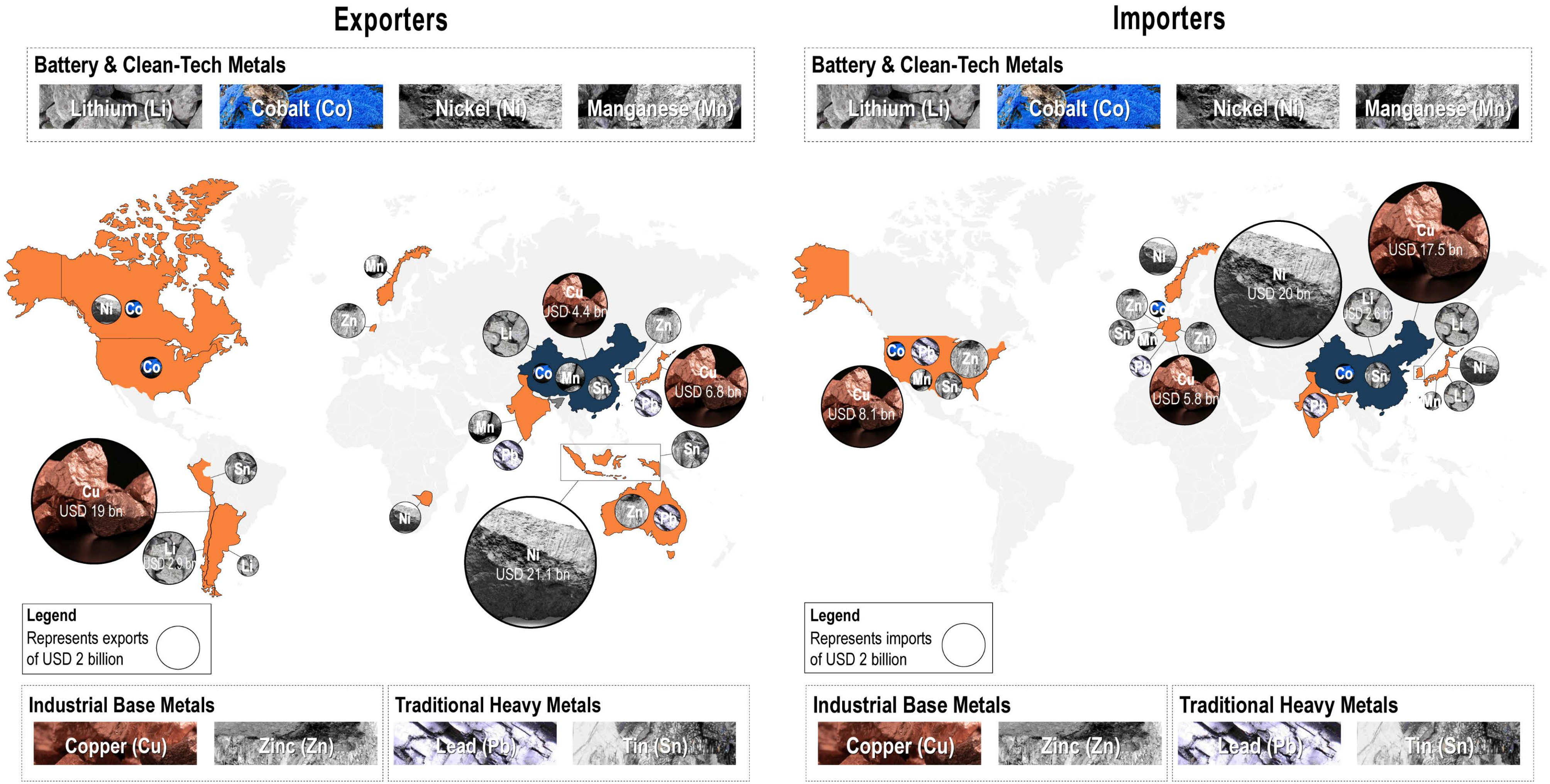
Selected Refined Metals: Top 3 Exporters and Importers, USD bn (2024)



Note: Trade values refer to refined or processed products (e.g., metals, oxides and hydroxides), excluding ores and concentrates to avoid double counting of raw and refined trade stages. Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China is the world's largest consumer of energy and runs large trade deficits for primary fuels, especially crude oil and petroleum gases. Similar to its reliance on imported metals, China remains a significant opportunity for global fuel exporters

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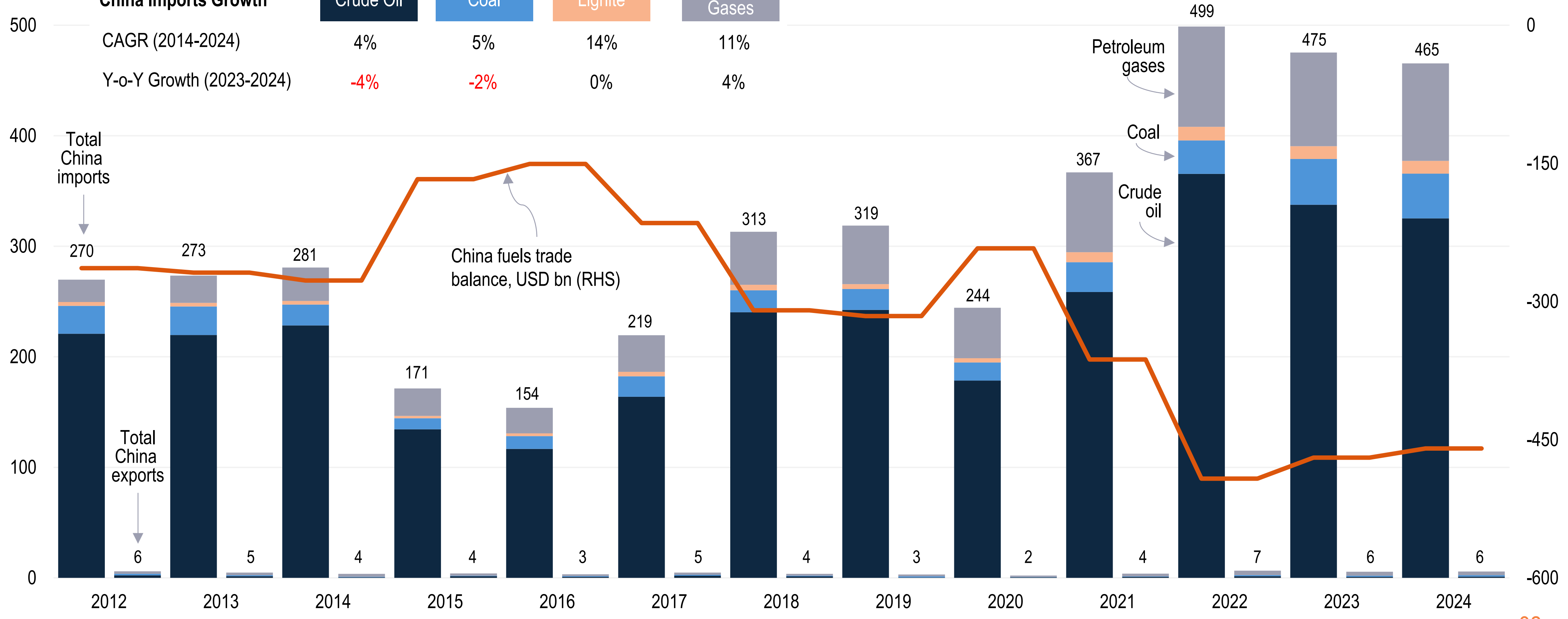
China Imports and Exports of Selected Fuels, USD bn, and China Fuels Trade Balance (RHS) (2012-2024)

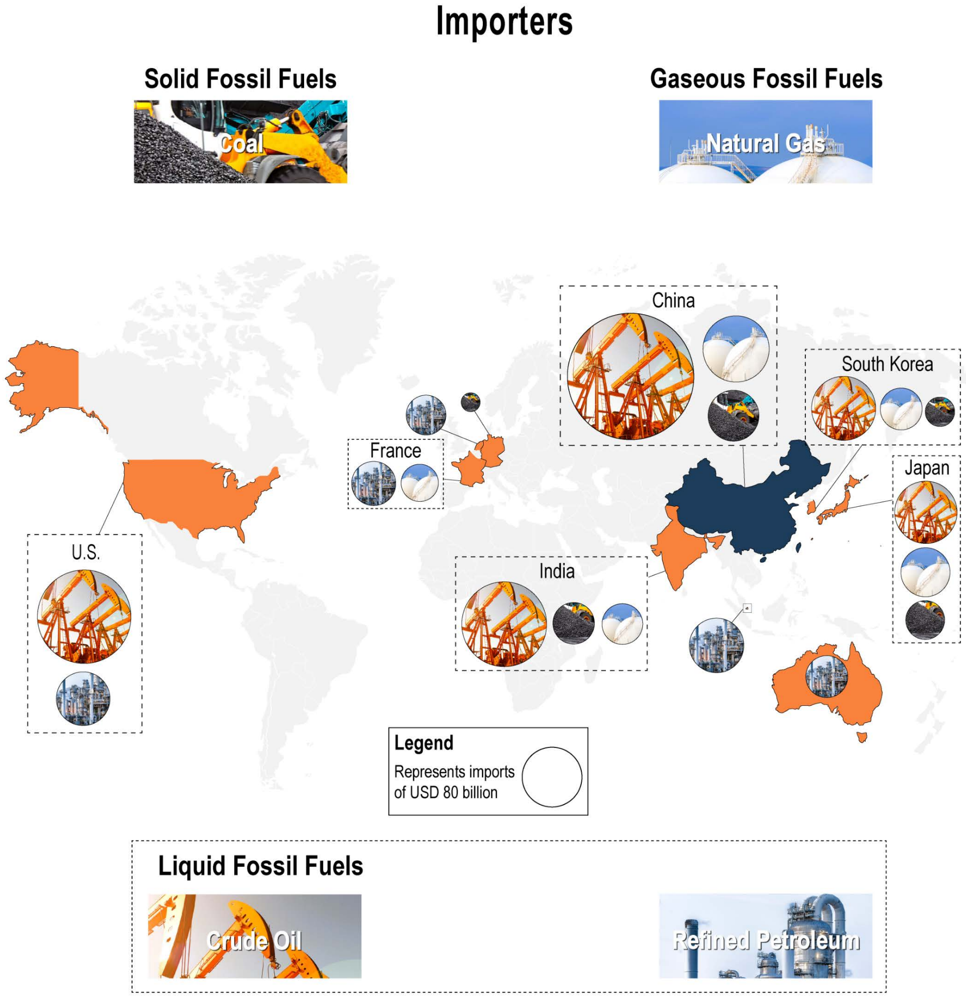
China Imports Growth	Crude Oil	Coal	Lignite	Petroleum Gases
CAGR (2014-2024)	4%	5%	14%	11%
Y-o-Y Growth (2023-2024)	-4%	-2%	0%	4%



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

In global trade of fossil fuels, resource-rich economies such as the U.S., Canada, Norway and Australia loom large on the export side, while resource-hungry Asian economies, notably China, India, South Korea and Japan, anchor demand

Top 5 Exporters and Importers of Coal, Natural Gas, Crude Oil and Refined Petroleum Products, USD bn (2024)



Note: Data excludes trade with unspecified partners classified as “Areas not elsewhere specified.” Source: UN Comtrade, ANDAMAN PARTNERS Analysis

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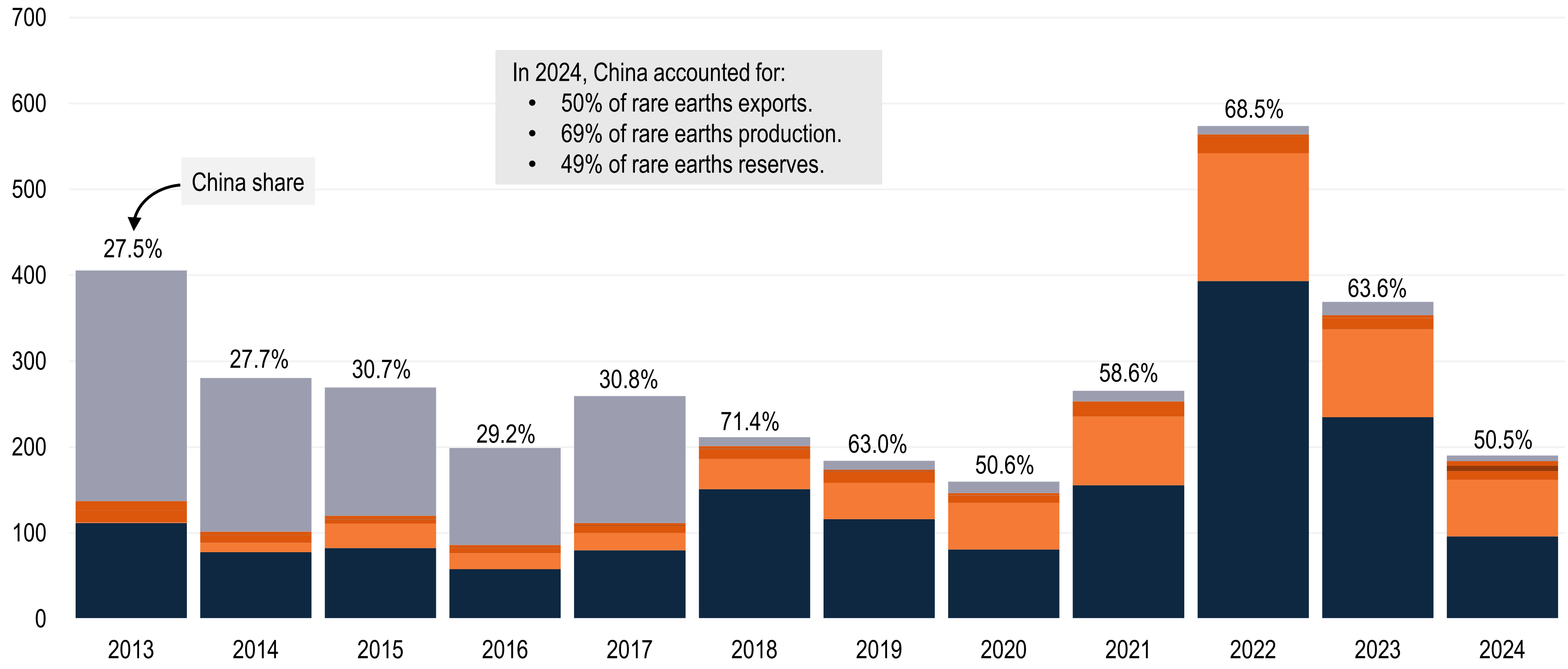
The concentration of rare earths production, processing and exports in China has wide-ranging effects on critical industries worldwide. China accounts for roughly 70% of global mine production, 50% of exports and 90% of processing and refining (and around half of global reserves)

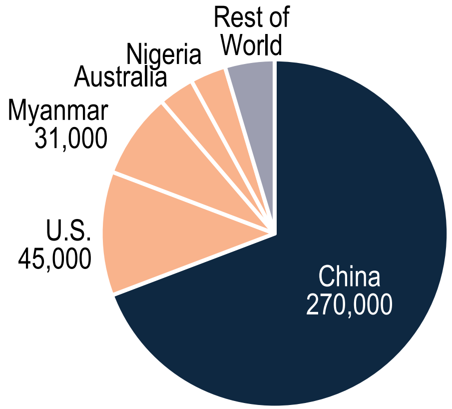
Rare Earths Elements: Top 5 Exporters (2013-2024), Producers (2024) and Holders of Reserves (2024)

Top 5 Rare Earths Exporters, USD mn (2013-2024)

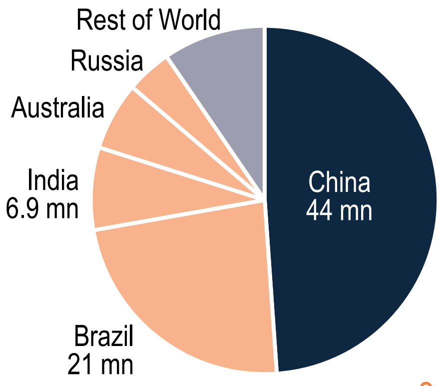
Top 5 Exporters (2024)	China	Thailand	Japan	Singapore	U.S.	Rest of World
CAGR (2013-2024)	-1.4%	50.8%	-2.8%	34.8%	-6.0%	-28.7%



Top 5 Rare Earths Producers, Metric Tons (2024)



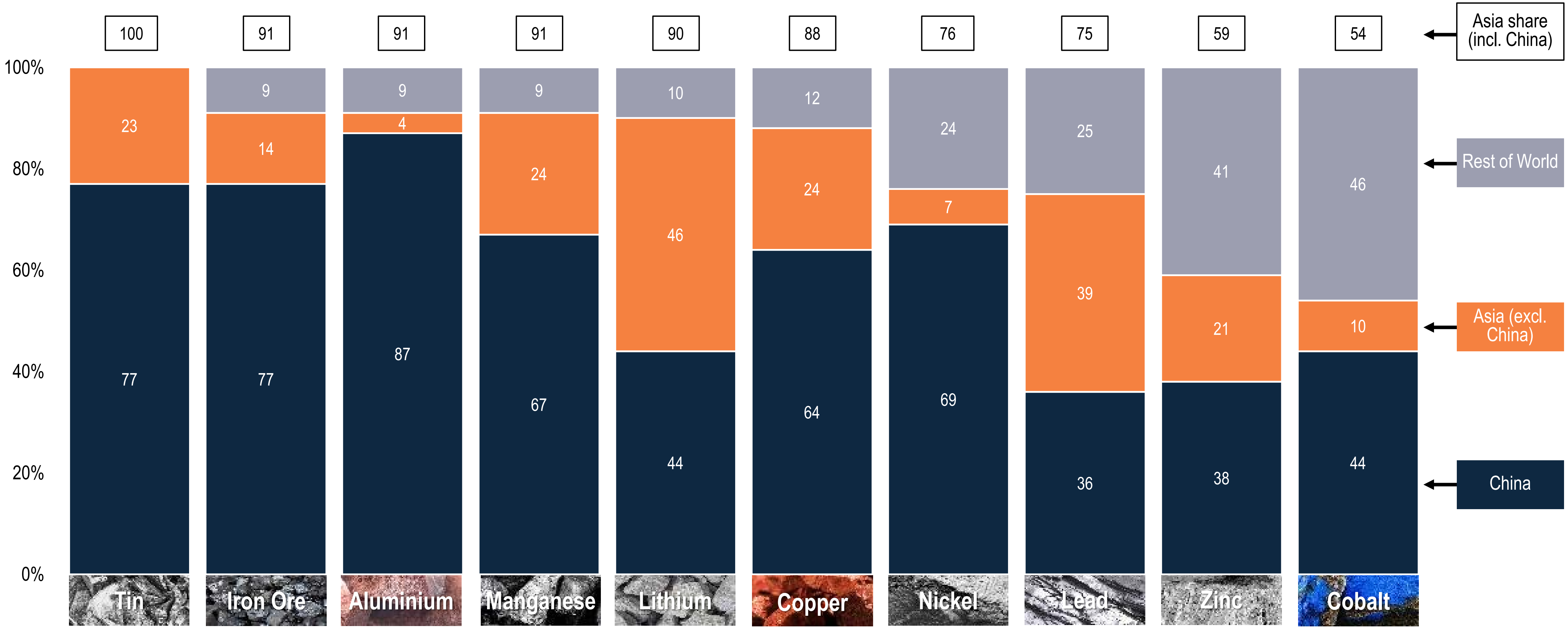
Top 5 Holders of Rare Earths Reserves, Metric Tons



Note: Singapore's and Thailand's export surges reflect their roles as processing and re-export hubs rather than as primary producers. Production data is estimated; China production denotes production quota.
Source: UN Comtrade, USGS Mineral Commodity Summaries 2025, ANDAMAN PARTNERS Analysis

Asia's share of global imports is dominant across key industrial commodities. China drives regional demand and shapes global supply chains, including an iron ore share of 77%, aluminium of 87% and copper of 64%

China and Asia Share of Global Imports of Selected Industrial Commodities, % Share (2024)



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China's import footprint now extends across all major resource exporters, with rising reliance on MENA, Latin America, Russia and Australia highlighting its central role in shaping global trade flows and securing strategic mineral and energy supplies

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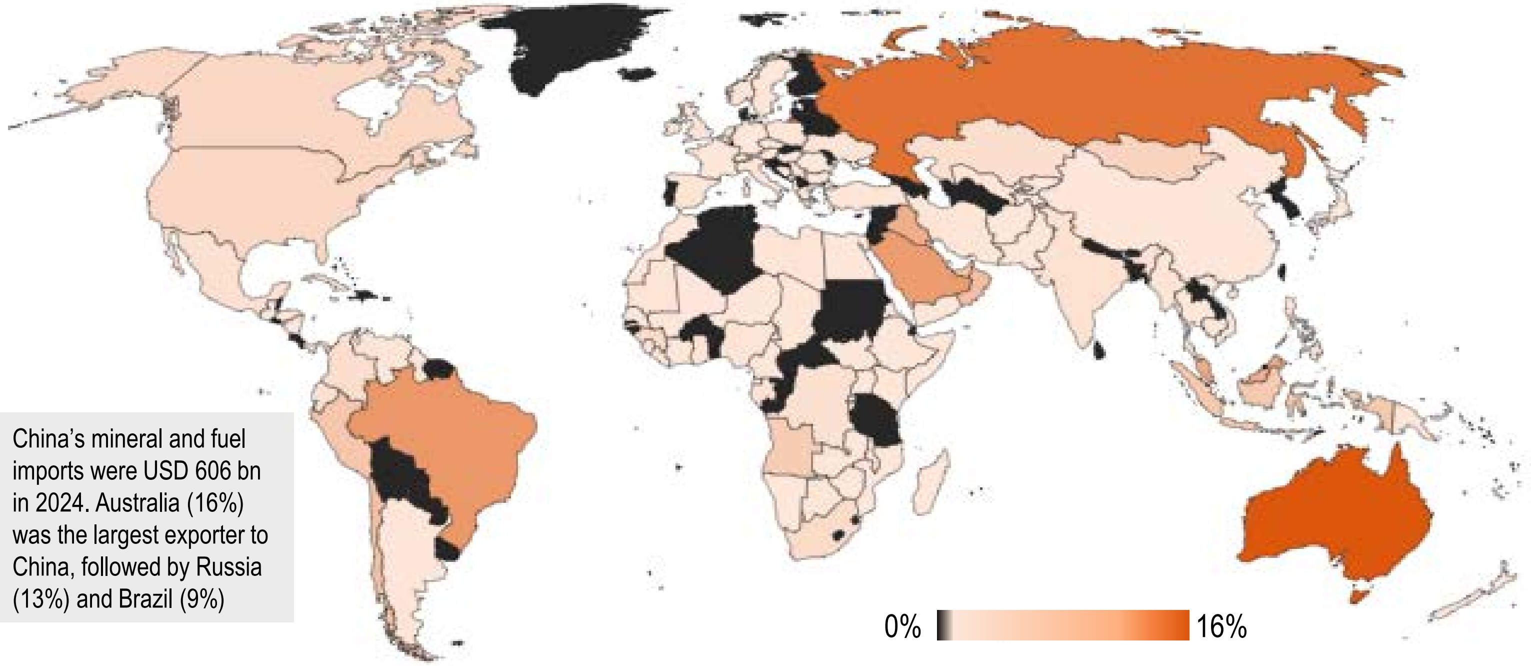
Share of Selected Minerals & Fuels by China Import Partners, Share % (2024)



China's mineral and fuel imports were USD 606 bn in 2024. Australia (16%) was the largest exporter to China, followed by Russia (13%) and Brazil (9%)

- MENA and LAC accounted for 25% and 18% shares of global exports to China, respectively.
- Australia accounted for 99% of Oceania's exports to China.
- Russia accounted for 93% of Europe's exports to China.

1. MENA*		2. LA&C*		3. Oceania		4. Europe		5. Asia		6. SSA*		7. North America	
2014	2024	2014	2024	2014	2024	2014	2024	2014	2024	2014	2024	2014	2024
33%	**25%**	**14%**	**18%**	**19%**	**16%**	**9%**	**14%**	**8%**	**14%**	**16%**	**9%**	**2%**	**4%**

China Top 15 Import Partners (2024)

Rank	Country	USD bn	Import Share, %	CAGR % (2014-2024)
1	Australia	94.9	15.6	3.0
2	Russia	77.2	12.7	10.7
3	Brazil	52.1	8.6	8.3
4	Saudi Arabia	48.6	8.0	2.8
5	Malaysia	38.8	6.4	41.7
6	Iraq	37.0	6.1	6.0
7	Oman	26.3	4.3	1.4
8	Chile	25.0	4.1	13.6
9	UAE	22.1	3.7	9.2
10	Peru	20.9	3.5	14.9
11	Indonesia	19.4	3.2	8.5
12	Angola	17.2	2.8	-5.7
13	Mongolia	12.7	2.1	10.1
14	Canada	9.9	1.6	10.8
15	U.S.	9.7	1.6	16.2
	Top 15	511.8	84.5	6.4
	RoW	93.7	15.5	-1.1
	Total	605.5	100	4.8

Note: Minerals include iron, base metals, lithium, cobalt, manganese, nickel, zinc, lead and tin. Mineral Fuels include coal and its types and crude oil. MENA – Middle East & North Africa; LA&C – Latin America & Caribbean; SSA – Sub-Saharan Africa.
Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China's resource import footprint is increasingly anchored in the Global South, with the Middle East & North Africa emerging as the largest supplier region in 2024, followed by Latin America and Oceania

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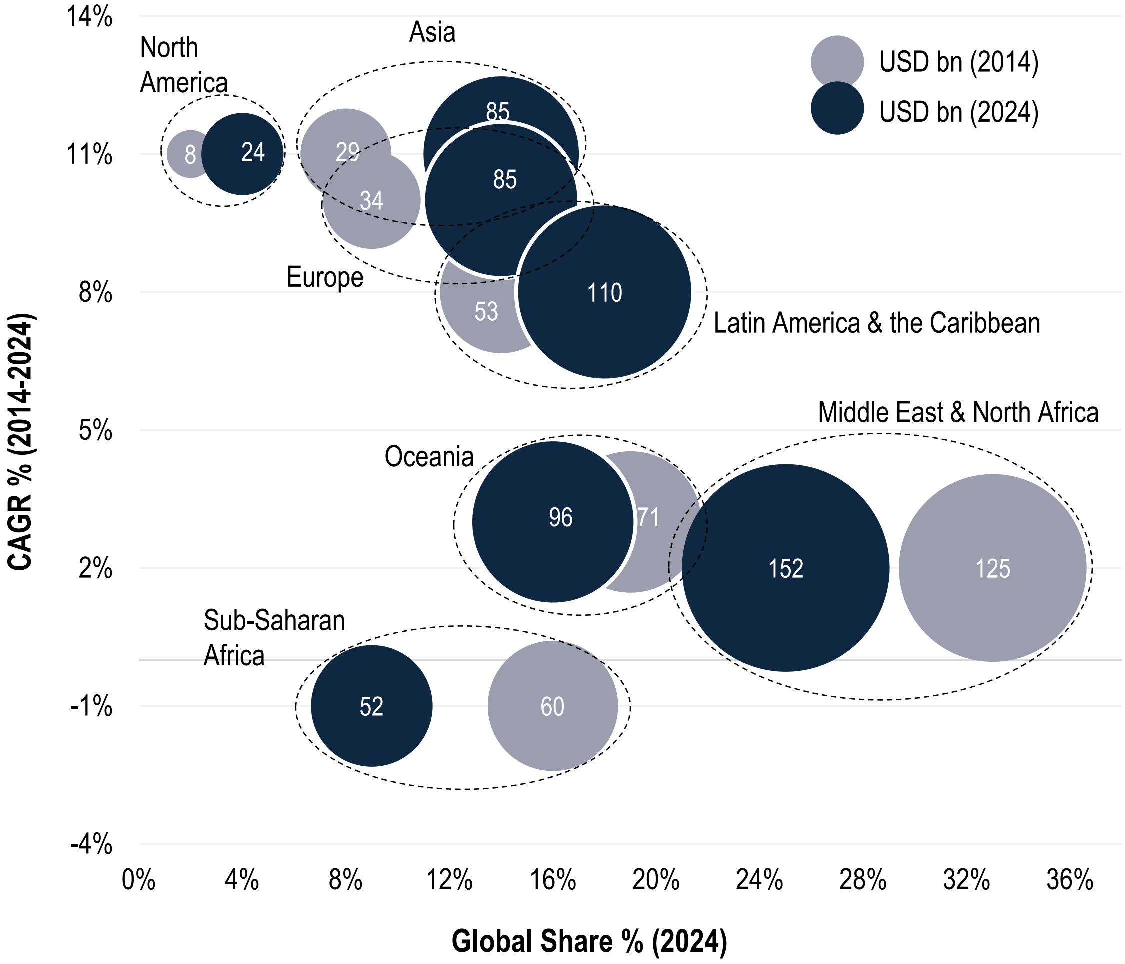
China Import Partners by Region for Selected Minerals, USD bn (2014-2024)



China Imports of Selected Commodities, USD bn (2014-2024)

Sr. No.	Mineral	USD billion (2024)	Global Share % (2014)	Global Share % (2024)	CAGR % (2014-2024)
1	Aluminium	10.5	44.8	↑ 87.0	17.8
2	Cobalt	0.0	59.4	↓ 43.8	-42.7
3	Copper	67.3	40.1	↑ 64.1	12.1
4	Iron	132.4	63.7	↑ 77.4	3.5
5	Lead	2.0	32.9	↑ 35.6	-0.7
6	Manganese	4.4	54.8	↑ 66.7	4.9
7	Nickel	2.7	76.0	↓ 69.3	-5.3
8	Tin	1.7	41.7	↑ 76.7	15.7
9	Zinc	4.4	19.5	↑ 37.6	11.1
10	Lithium	2.9	12.6	↑ 43.9	45.5
11	Coal	53.2	16.7	↑ 25.7	7.9
12	Crude Oil	337.6	15.1	↑ 26.3	3.6

Note: Selected commodities are Aluminium, Copper, Cobalt, Iron, Lead, Manganese, Nickel, Tine, Zinc, Lithium, Crude Oil and Coal. The % share is of global imports of the respective commodity. Source: UN Comtrade, ANDAMAN PARTNERS Analysis

China's growing import dependence and supplier diversification are reshaping global resource trade, reinforcing its role as the world's dominant demand centre while actively managing supply security across industrial metals, battery materials and energy commodities

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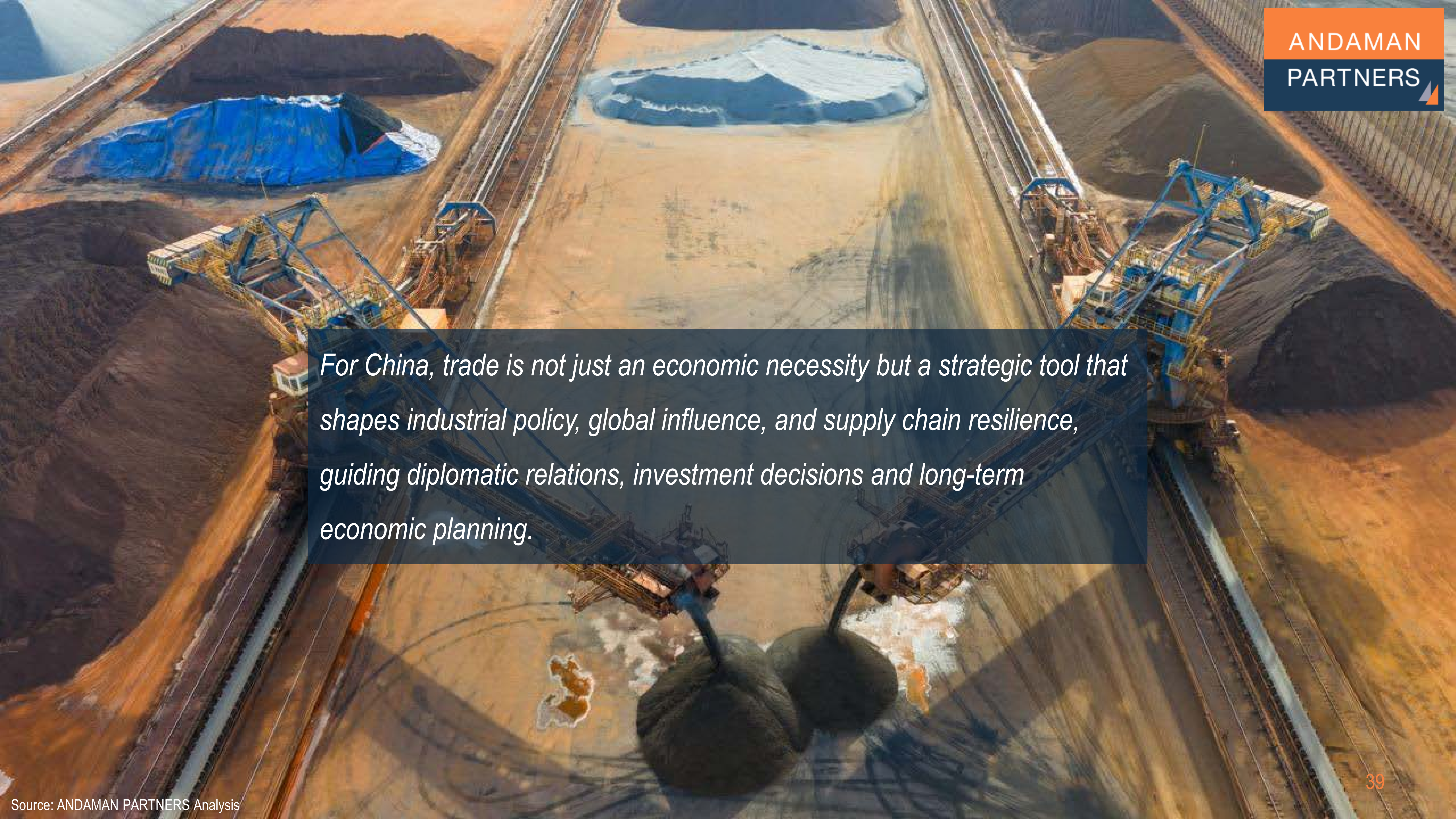
- China's import dependence has risen sharply to sustain industrial and manufacturing demand, with copper imports growing ~12% CAGR (2014-2024) and aluminium imports remaining resilient despite slower domestic growth.
- China remains the dominant global buyer, accounting for over 60% of global imports of iron ore, nickel, aluminium, copper and manganese, cementing its position as the anchor of global bulk and industrial metals markets.
- Energy imports illustrate active portfolio management: coal imports peaked in 2023 (+5% y-o-y) for energy security before easing in 2024, while crude oil imports declined ~4% as China diversified its energy mix.
- Battery and transition metals show divergence: lithium import values fell ~56% y-o-y in 2024, while cobalt imports have declined structurally (-43% CAGR since 2014), reflecting changing supply strategies and domestic processing expansion.
- China is rebalancing its supplier base: From 2014 to 2024, Latin America & the Caribbean increased its share from 14% to 18%, Europe from 9% to 14%, while MENA's share declined from 33% to 25%.
- Australia (USD 94.9 billion, 15.6%) and Russia (USD 77.2 billion, 12.7%) remain core suppliers, while Malaysia's role has surged as China deepened processing and industrial supply-chain ties.
- In 2024, China's total mineral and fuel imports reached USD 605.5 billion, with the top 15 suppliers accounting for 84.5%, highlighting both concentration risk and strategic depth.
- **China is not just importing more, it is actively reshaping global trade flows, balancing diversification, scale and strategic control to secure long-term access to critical resources.**

Source: ANDAMAN PARTNERS Analysis

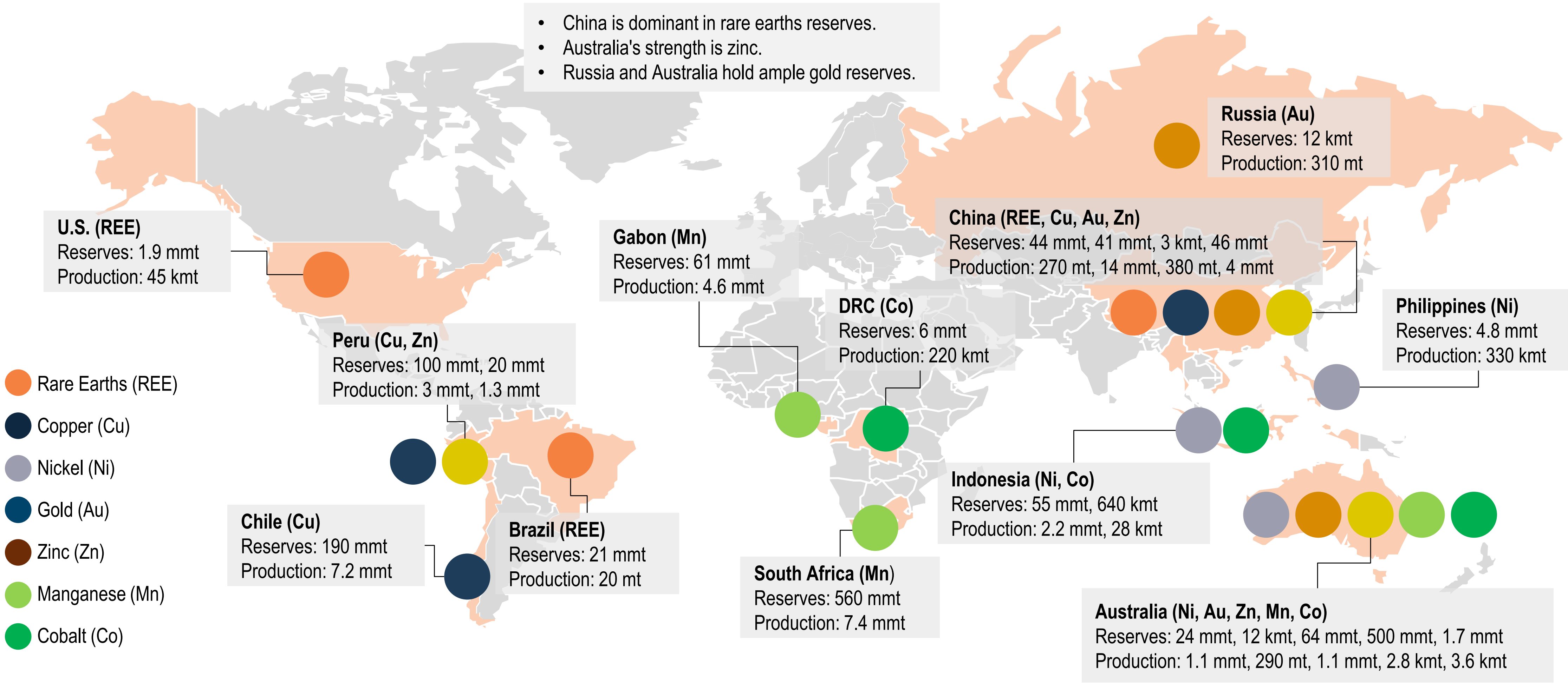


For China, trade is not just an economic necessity but a strategic tool that shapes industrial policy, global influence, and supply chain resilience, guiding diplomatic relations, investment decisions and long-term economic planning.

Source: ANDAMAN PARTNERS Analysis

Critical mineral supply is concentrated in a small group of countries, with China holding a strategic position across reserves, production and processing, amplifying its influence over industrial supply chains, resource security and the evolving geopolitical balance

Top Countries by Reserves and Production of Critical Minerals, Volume (2024)



Source: USGS Mineral Yearbook 2024, ANDAMAN PARTNERS Analysis

China's leadership in critical minerals production, processing and downstream manufacturing has consolidated its control of supply chains, giving it a durable advantage in global manufacturing, clean-energy technologies and industrial scale

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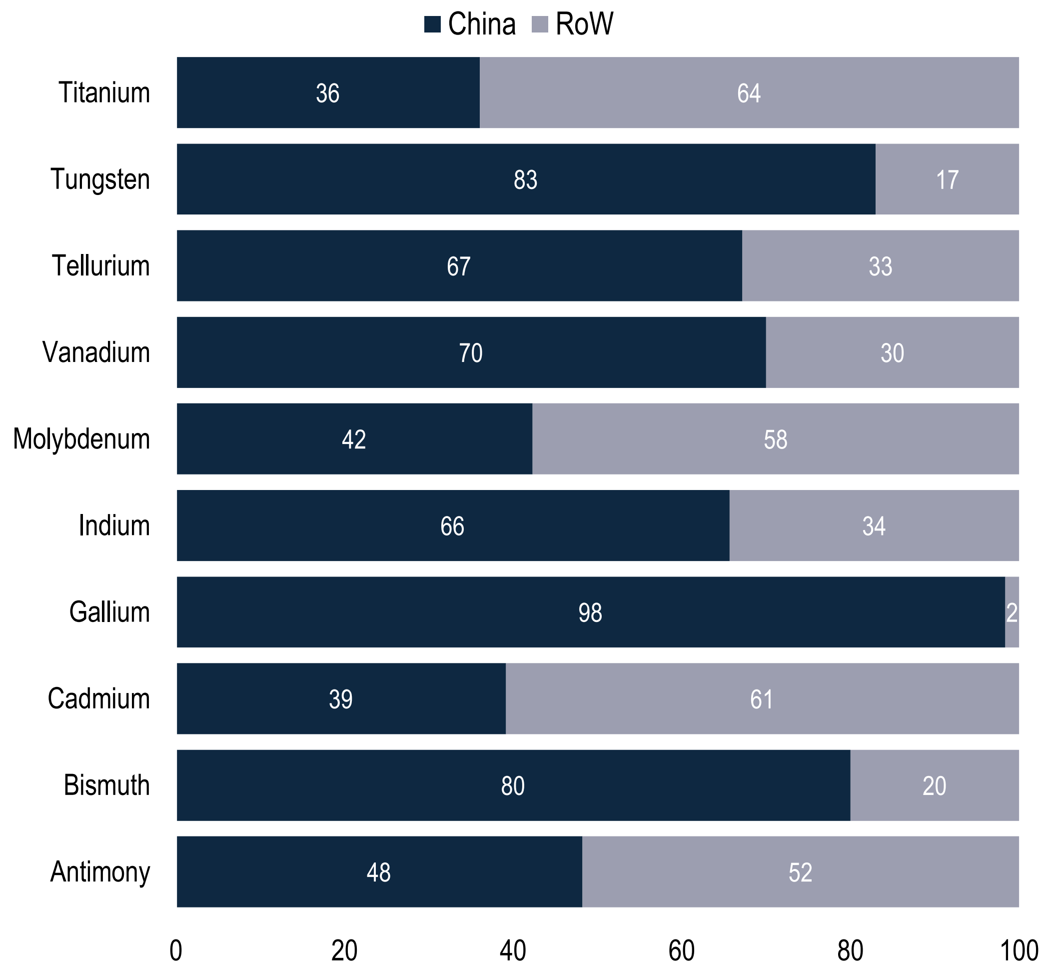
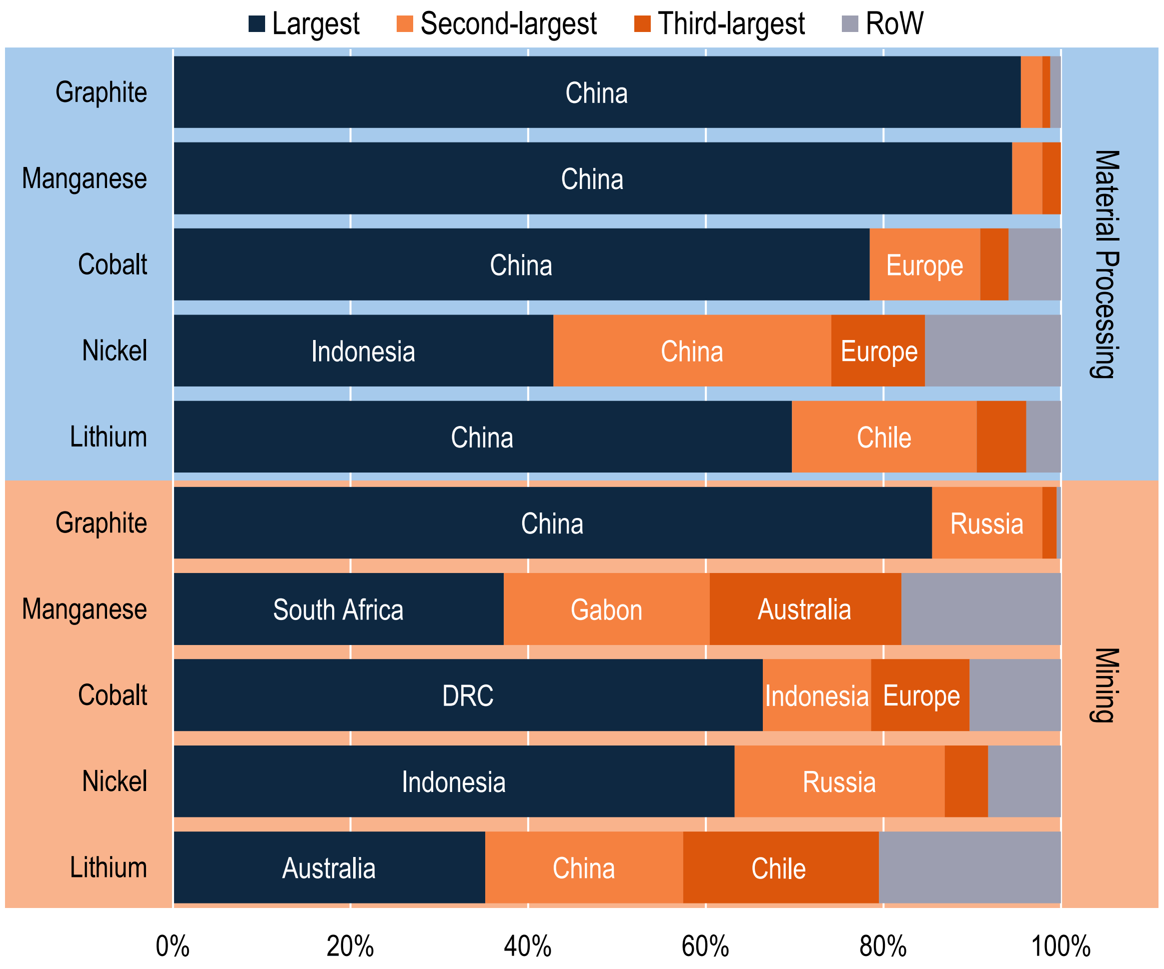
China Global Share of Production of Other Critical Minerals % (2024E)



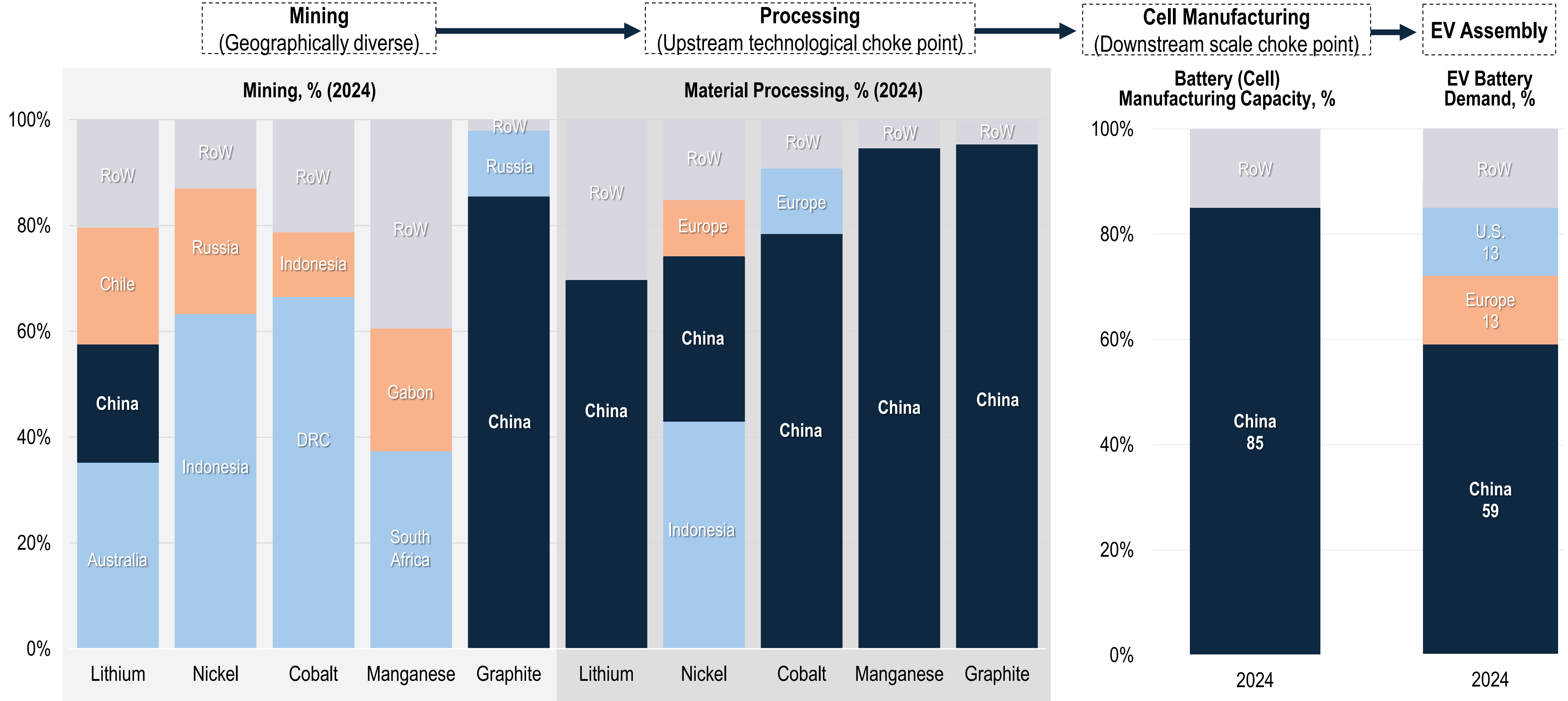
Geographic Concentration of Supply Chains by Segment (2024)



Source: IEA, ANDAMAN PARTNERS Analysis

Even with diversified mining, China's dominance in battery-grade processing and cell manufacturing leaves global EV production structurally dependent on two tightly controlled stages of the supply chain

China and the Electric Vehicle Battery Supply Chain (2024)



Note: Mining shares based on primary production; processing based on battery-grade refining capacity; cell manufacturing based on announced and installed nameplate manufacturing capacity; EV battery demand based on installed battery capacity in new EVs. Source: IEA, ANDAMAN PARTNERS Analysis

Global mining is fragmented, but China controls the gateways where value, pricing and power are set across Critical Mineral supply chains. China is not just a buyer; it is the system through which value is realised

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- Global mining remains geographically diversified, with Australia, Chile, Indonesia, Peru, the Philippines and Africa anchoring production of copper, lithium, nickel and cobalt.
- However, China dominates the control points of the system—processing, refining and downstream integration—where market access, pricing power and industrial leverage are determined.
- China holds overwhelming positions in key industrial and strategic minerals, including gallium (98%), tungsten (81%) and bismuth (80%), giving it effective control over inputs critical to electronics, defence and clean technologies.
- Processing leadership extends across rare earths, graphite, lithium and cobalt, creating structural dependencies even where upstream mining is diversified.
- Downstream concentration reinforces this advantage: China dominates bulk materials and clean-tech manufacturing, spanning aluminium, steel, cement, batteries, electric vehicles (Evs), solar PV, wind equipment and electrolysers.
- The result is a polarised supply chain: mining is global, but conversion into usable industrial inputs is increasingly Chinese.
- This structure translates into geopolitical leverage, influence over trade policy, and rising importance of processing access in offtake and investment decisions.
- **For mining companies, success is no longer defined by where minerals are extracted, but by how they integrate with China's processing, manufacturing and end-market ecosystems.**

Source: ANDAMAN PARTNERS Analysis

China's Comprehensive Role in Global Resources:
Investment and Financing

China is a crucial INVESTOR AND FINANCE PARTNER to the mining industry

China's Outward Direct Investment (OFDI) flow surged to USD 174 billion in 2025 from USD 163 billion in 2024, an increase of 6.8% year-on-year. Around two-thirds of China's OFDI is focused on Asia, reflecting a strong regional investment strategy

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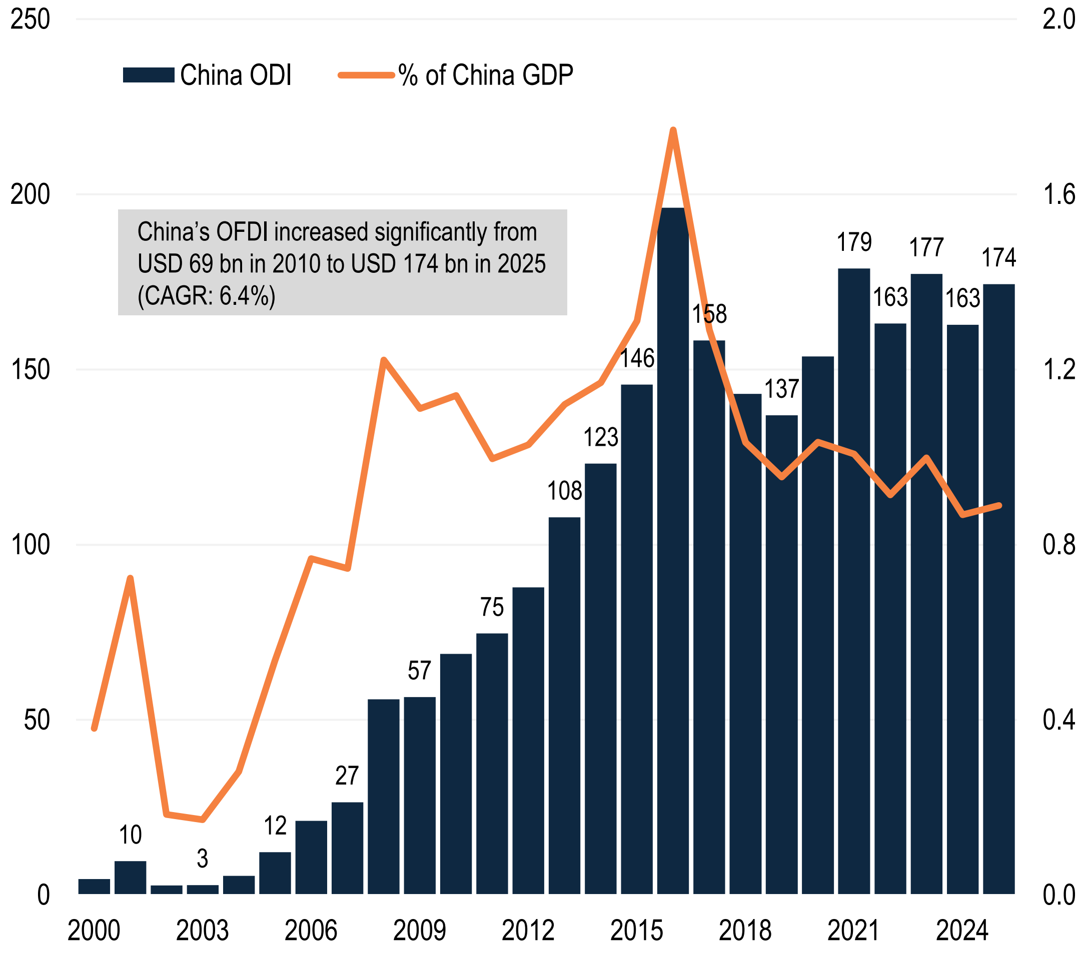
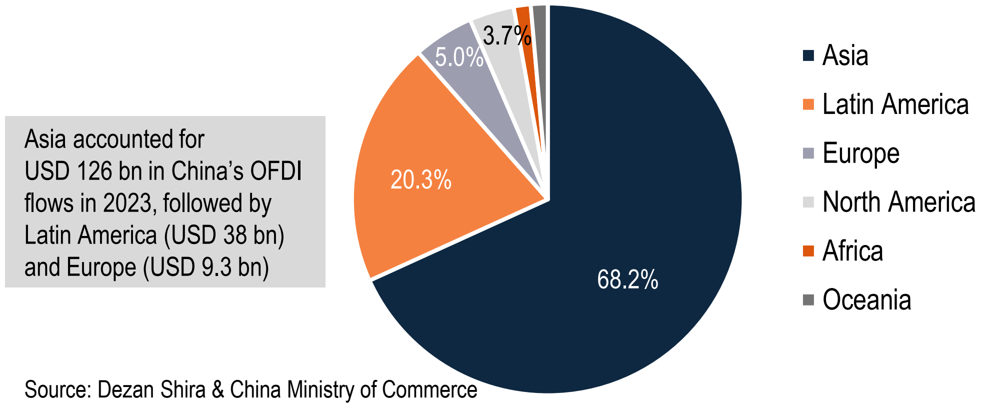
China Outward Foreign Direct Investment (OFDI) Flow, USD bn, and Share of China GDP (RHS), % (2002-Nov. 2025)



Source: World Bank, Dezan Shira & China Ministry of Commerce

China OFDI Flow by Region, USD bn (2023)



Source: Dezan Shira & China Ministry of Commerce

Chinese Companies' Investments in Foreign Mines, USD bn, and Share of China Total OFDI (RHS), % (2013-2023)

Source: The Oregon Group

Source: World Bank, China Ministry of Commerce, Dezan Shira Associates, The Oregon Group, ANDAMAN PARTNERS Analysis

China's mining OFDI has accelerated since 2023, with Africa as the primary target: In 2025, Sub-Saharan Africa attracted USD 8.1 billion of Chinese metals & mining OFDI, ahead of Asia and Latin America, reinforcing China's push to secure upstream supply

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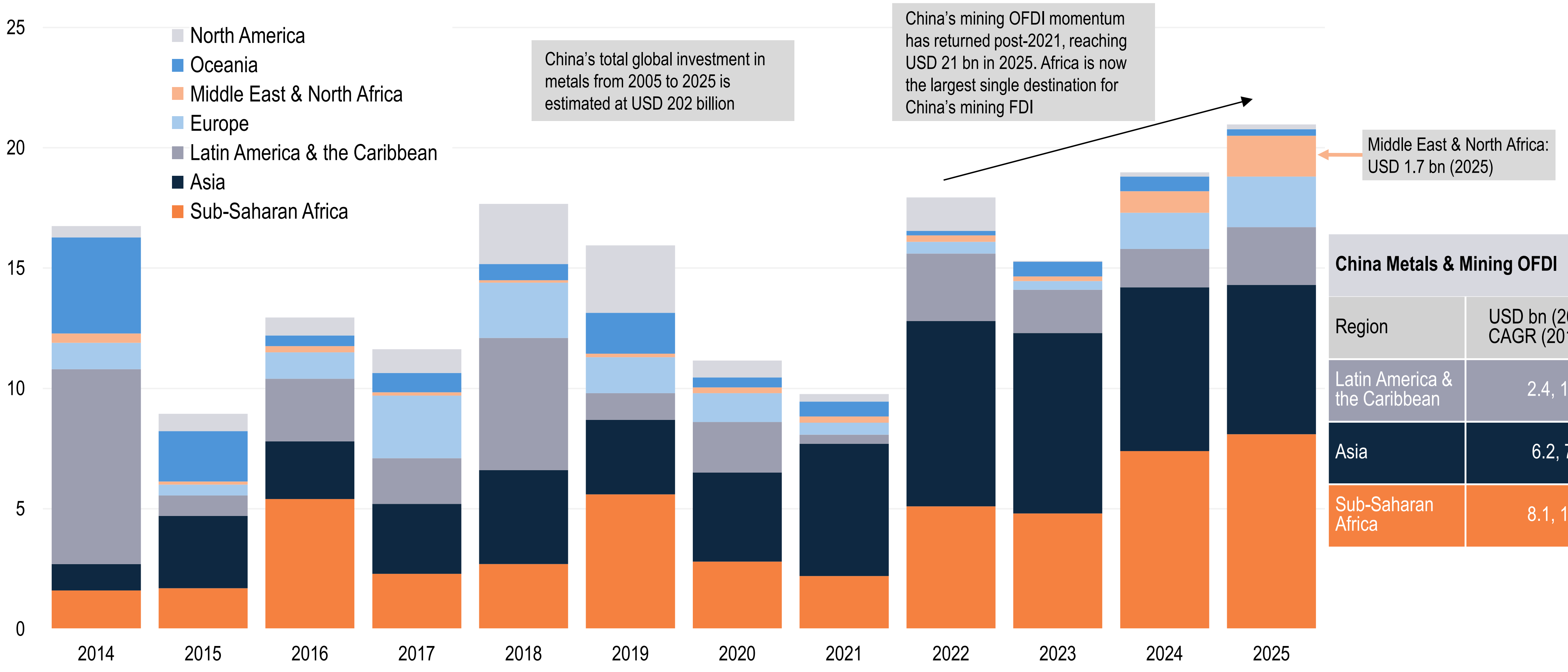
Total Chinese FDI Transactions for Metals & Mining Sector by Region, USD bn (2014-2025)



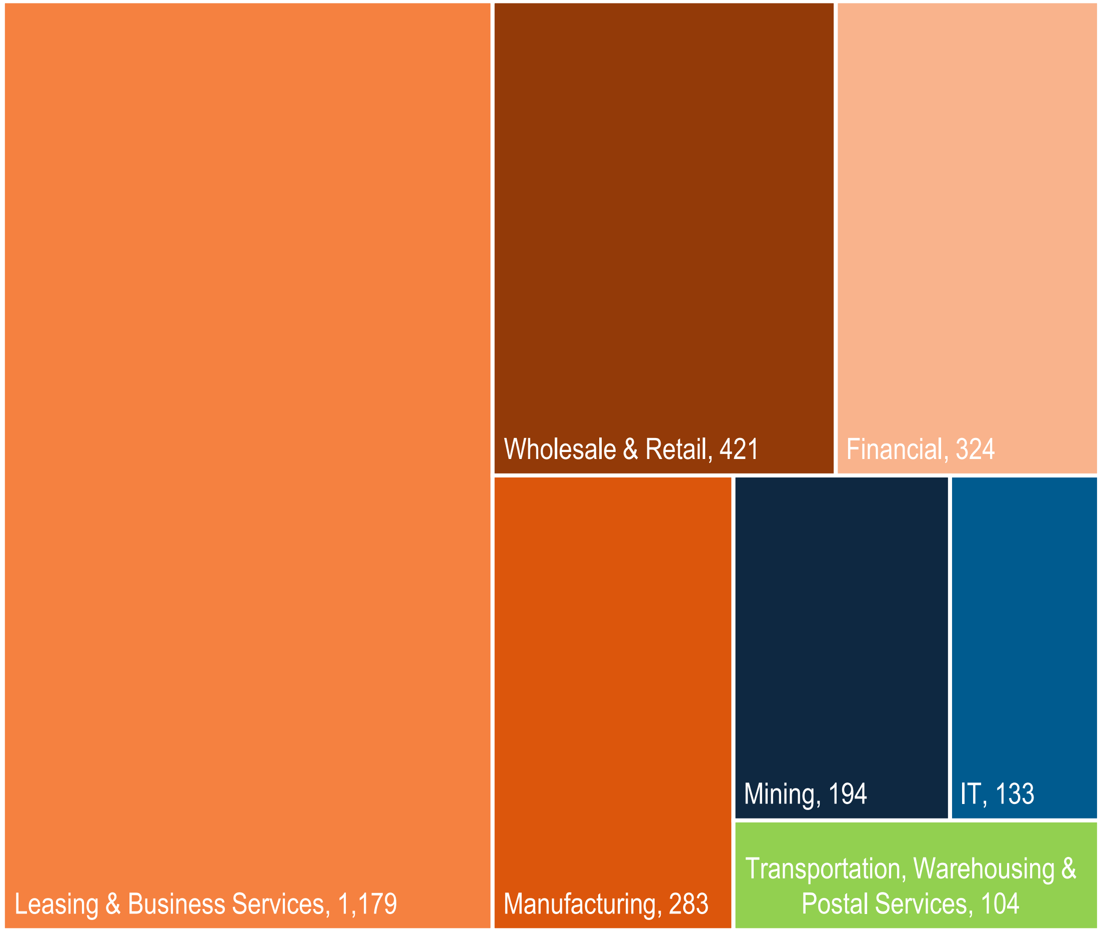
China Metals & Mining OFDI

Region	USD bn (2025) and CAGR (2015-2025)
Latin America & the Caribbean	2.4, 10%
Asia	6.2, 7%
Sub-Saharan Africa	8.1, 15%

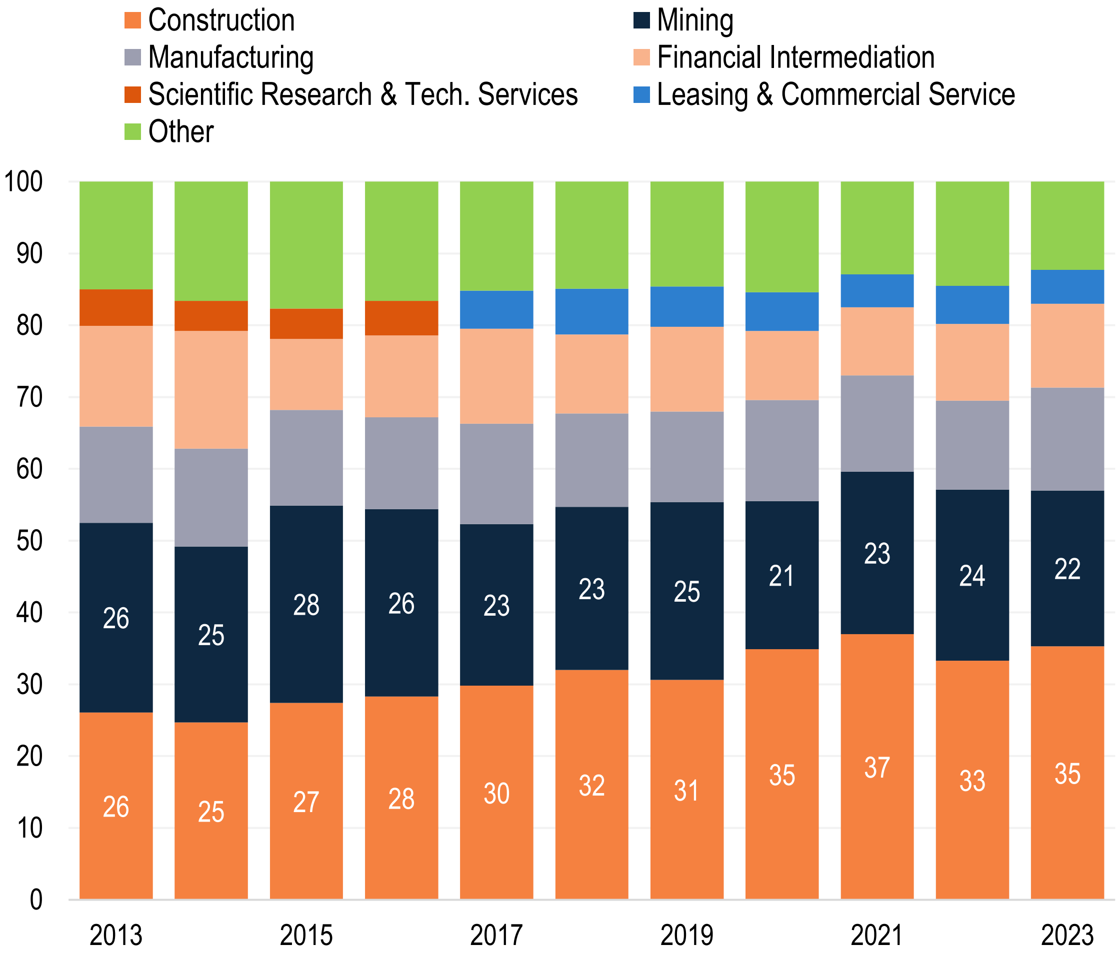
Source: Rhodium Group, AEI China Global Investment Tracker, ANAMAN PARTNERS Analysis

China's OFDI has diversified in recent years, with significant growth in the leasing & business services, retail and manufacturing sectors. More than half of China's OFDI stock to Africa is accounted for by construction (35%) and mining (22%)

China Global OFDI Stock by Sector, USD bn (2012-2023)



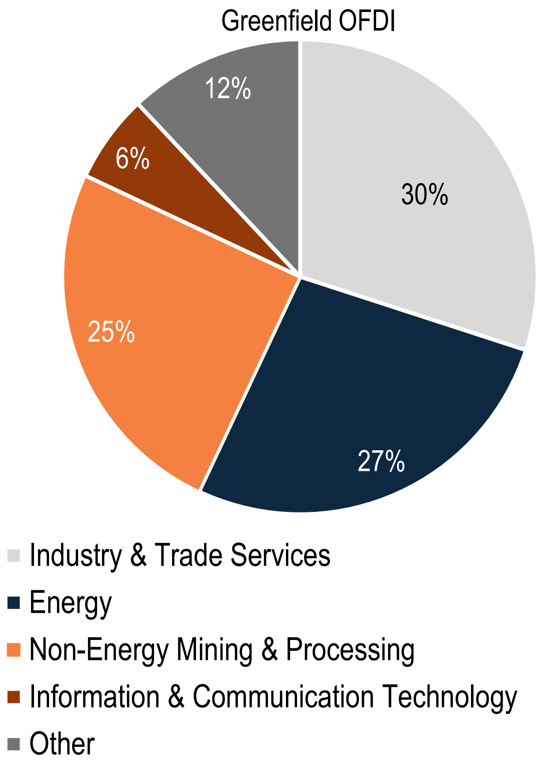
Chinese OFDI Stock to Africa: Top 5 Sectors, % (2013-2023)



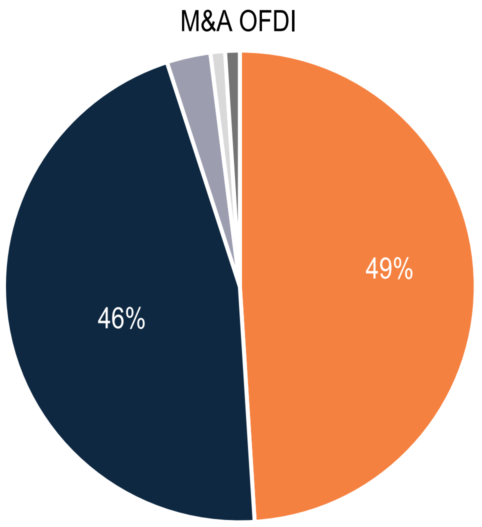
Source: The Economist, Dezan Shira Associates, SAIS China-Africa Research Institute, ANDAMAN PARTNERS Analysis

Chinese companies announced USD 112 billion in global greenfield OFDI from 2000 to 2022, of which over USD 28 billion (25%) went to Africa, along with USD 12 billion in M&A OFDI. Chinese greenfield mining OFDI in Africa mainly focused on copper, aluminium and iron

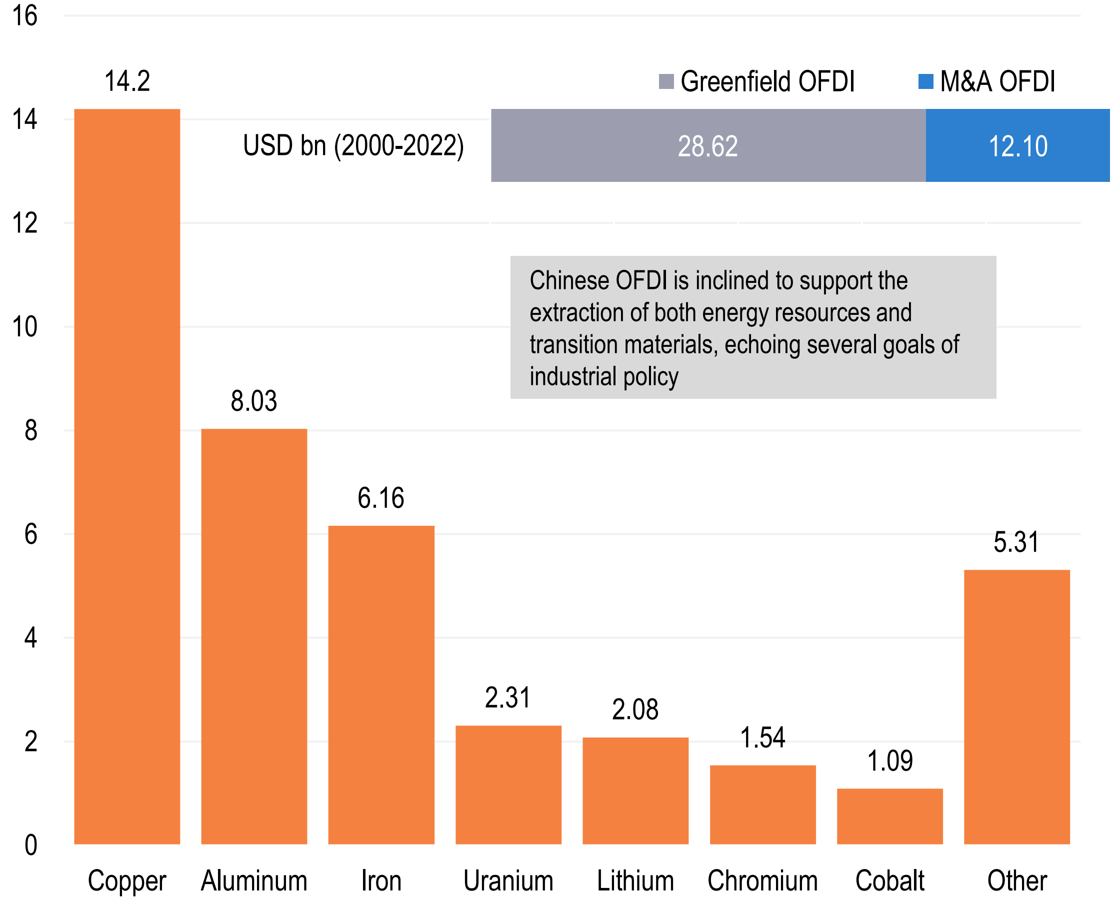
Chinese Greenfield and M&A OFDI Distribution in Africa by Sector, % (2000-2022)



The predominance of these sectors is primarily due to significant investments by Chinese SOEs motivated to expand their market presence in concert with China's Belt & Road Initiative (BRI)



Chinese Total Greenfield and M&A OFDI in Non-Energy Mining and Processing in Africa by Metal/Mineral, USD bn (2000-2022)



Source: Boston University Global Development Policy Centre, ANDAMAN PARTNERS Analysis

Capital flows to the global energy sector in 2025 reached a new high of USD 3.3 trillion, up 2% year-on-year. Two-thirds of this capital, USD 2.2 trillion, went to clean energy. China was the largest investor in clean energy (29% share) as well as fossil energy (23%)

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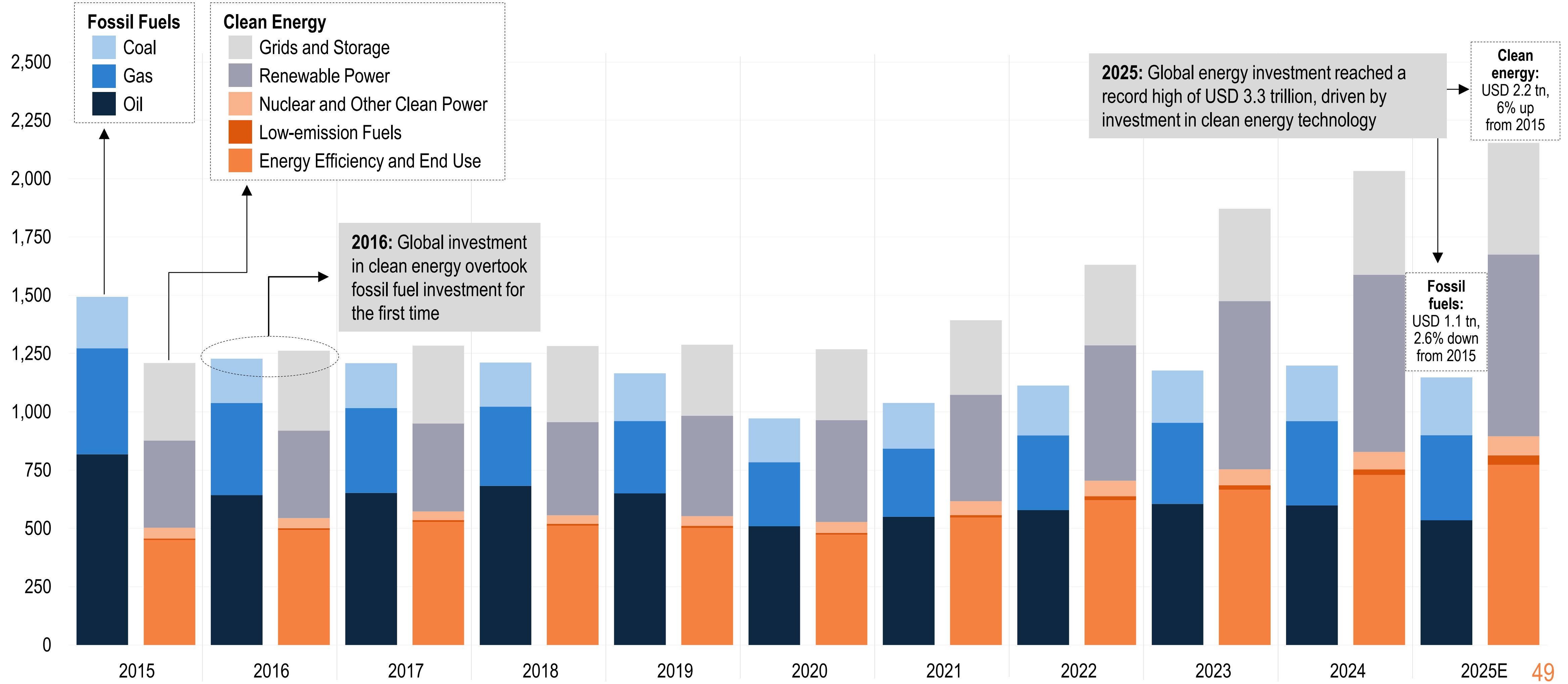
Global Investment in Clean Energy and Fossil Fuels, USD bn (2015-2025E)



Source: World Energy Investment 2025 (IEA), ANDAMAN PARTNERS Analysis

China's outward investment and lending continue to shape global resource flows, anchoring long-term supply relationships and extending economic influence across mining, energy and infrastructure—particularly in emerging markets critical to future metals and mineral supply

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- China's outbound foreign direct investment (OFDI) surged to USD 174 billion in 2025 (vs USD 69 billion in 2010), lifting China into the top tier of global OFDI and signalling a sustained push to project capital overseas.
- Asia dominates China's OFDI footprint, capturing 68% of flows in 2023 (USD 126 billion), while strategic mining investment has re-intensified, with overseas mine investment spiking to USD 16 billion in 2023.
- Resource security remains a priority for China, with over USD 200 billion invested in overseas metals assets between 2005 and 2024, including sustained exposure to foreign copper projects.
- China's overseas mining investment has re-accelerated sharply since 2023, with total metals & mining OFDI rebounding to USD 21 billion in 2025, signalling renewed momentum in China's global resource push.
- Overall, China's Africa OFDI remains heavily concentrated in construction (35%) and mining (22%), highlighting a strategic focus on infrastructure buildout and upstream resource access rather than broad-based consumer or technology exposure.
- Africa is now the primary destination for China's mining OFDI, led by Sub-Saharan Africa at USD 8.1 billion in 2025, reinforcing a clear shift toward upstream supply security and strategic mineral access.
- **China's role as a capital provider is selective, strategic and long-term. For mining companies, engagement with China increasingly means partnering with a capital allocator focused on securing supply, not chasing returns alone—shaping project finance, offtake structures and geopolitical exposure.**

Source: ANDAMAN PARTNERS Analysis

China's Comprehensive Role in Global Resources:
Project Procurement and Supply

China continues to become more prominent in
PROJECT DESIGN, ENGINEERING, PROCUREMENT AND CONSTRUCTION

China's engineering & design firms are expanding rapidly across global industrial and petroleum projects, converting domestic scale and cost competitiveness into rising international revenues and reinforcing China's growing influence over project execution and supply-chain economics

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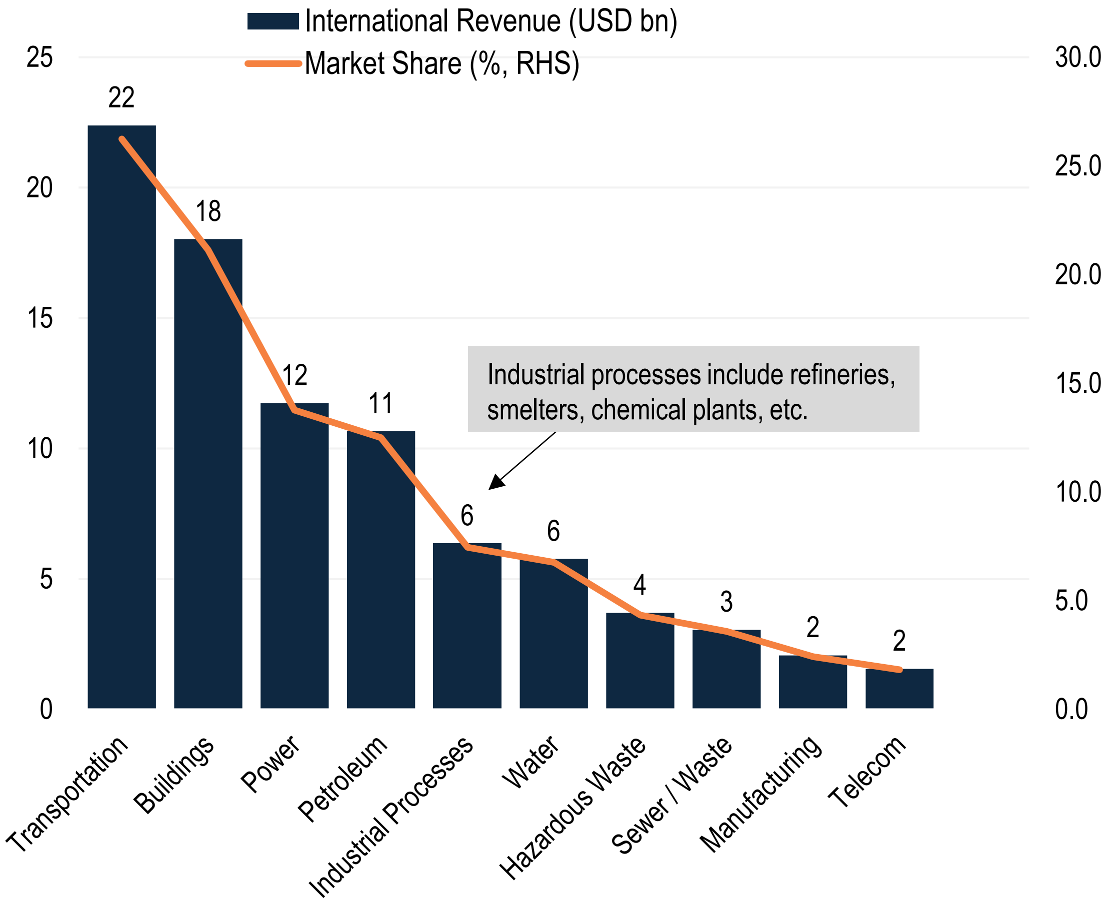
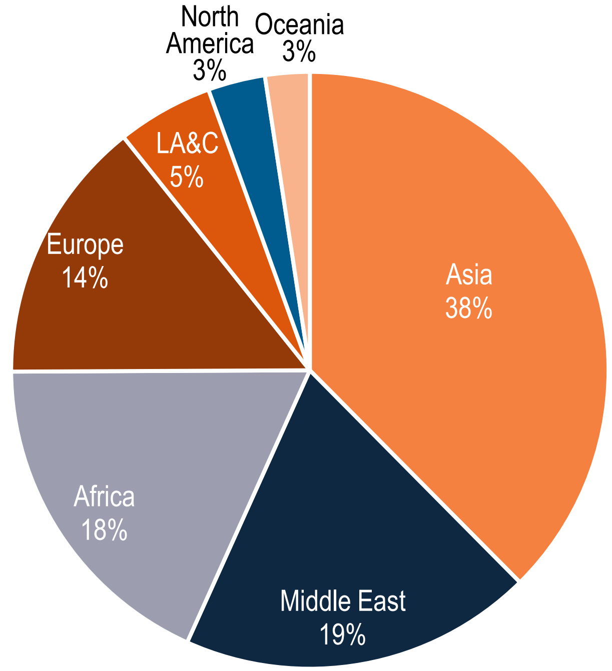
International Revenue of Top 225 Global Engineering & Design Companies by Sector, USD bn (2024)



International Revenues of Chinese Engineering & Design Companies by Region, USD bn (2024)



Global companies' revenue (2024): USD 85 bn
Chinese companies' revenue (2024): USD 6 bn (6.6% of global total)

Note: LA&C – Latin America & the Caribbean. Source: The Top 225 (Engineering News-Record), ANDAMAN PARTNERS Analysis

China Energy Engineering Corporation and Power Construction Corporation of China were the two leading Chinese engineering & design firms in 2024, accounting for 61% of total Chinese international revenue

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Top 10 Chinese Engineering & Design Firms, USD mn (2024)

Global Rank (2025)	Global Rank (2024)	Company	International Revenue, USD mn (2024)	Share of China's Total International Revenue, % (2024)
14	18	China Energy Engineering Corporation	1,816.2	31%
15	15	Power Construction Corporation of China	1,798.1	30%
28	30	China National Chemical Engineering Group Corp. Ltd.	608.0	10%
46	35	China Communications Construction Company	324.4	5%
53	53	China Petroleum Engineering Co. Ltd.	268.8	5%
65	66	China Railway Construction Corp. Ltd.	185.0	3%
75	67	China National Machinery Industry Corp.	137.9	2%
81	101	Metallurgical Corp. of China	117.7	2%
101	134	China Aluminum International Engineering	74.6	1%
104	86	China Triumph International Engineering	80.7	1%

Source: The Top 225 (Engineering News-Record), ANDAMAN PARTNERS Analysis

Chinese engineering & design firms are expanding rapidly across Africa's mining value chain, delivering processing capacity, power infrastructure and mine-to-port logistics corridors that underpin export scale and critical mineral supply security

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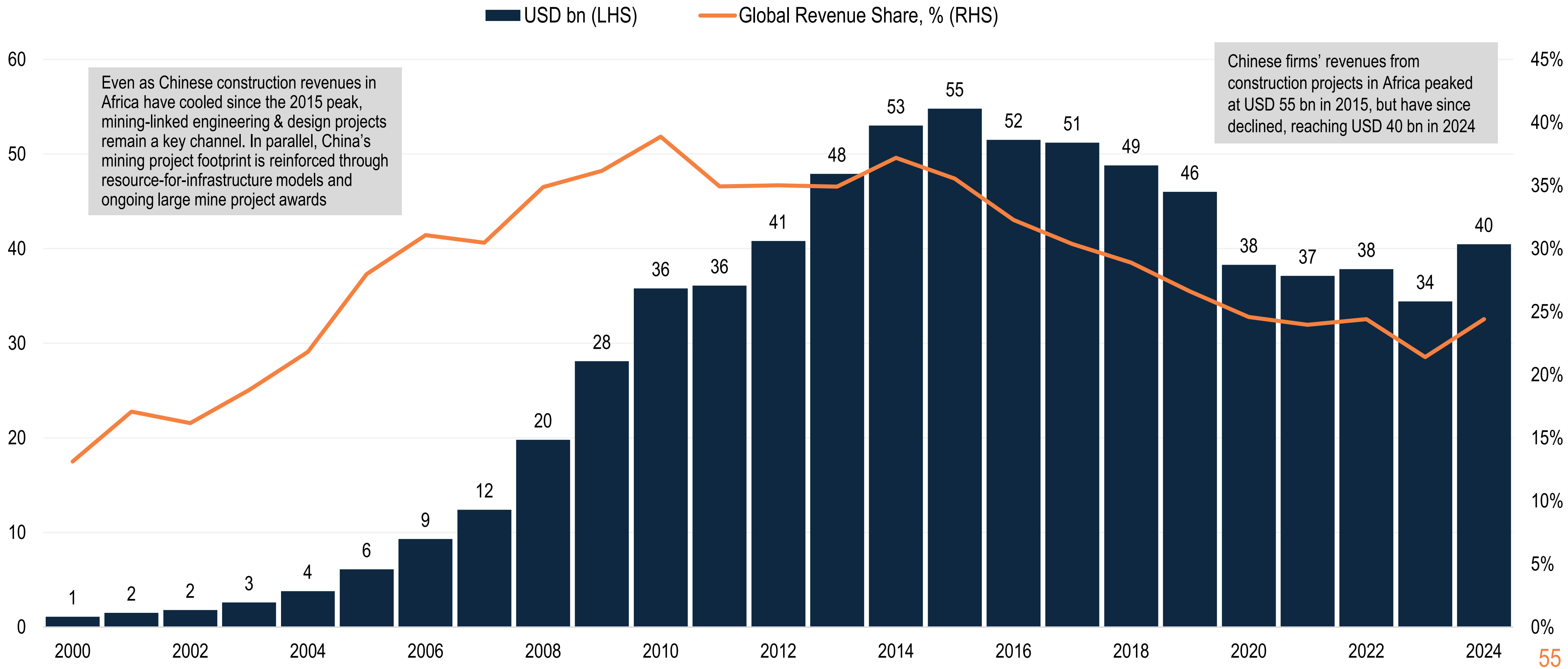
Select Chinese EPC Contractors and Mining Projects in Africa (as of Jan. 2026)

Chinese EPC / Contractor	Africa Mining-Linked Projects	
Power Construction Corporation of China	Kola Potash Project (Republic of Congo): Fixed-price EPC contract to deliver large-scale greenfield potash mine and processing development (~USD 2 bn)	Chisamba 100MW solar plant (Zambia) to supply power to copper miner First Quantum Minerals
China Communications Construction Company (via China Harbour Engineering Company)	Simandou Iron Ore (Guinea): Building ore terminal works and dredging/navigation channel for port facilities	Port of Conakry (Guinea): Contract to upgrade port infrastructure for bauxite/iron producer
China Railway Construction Corporation	Gara Djebilet Iron Ore Railway (Algeria): Lead contractor on heavy-haul mining railway	Dapilon-Santou Bauxite Railway (Guinea): Tracklaying/rail works on mining corridor
Metallurgical Corporation of China	Ruida Wet Copper Plant (Zambia): EPC+O (design-procure-build and 10-year O&M) for copper processing	Luanshya/Katomba (Zambia): Mine & hydrometallurgy/smelting projects
China Railway Group	Bauxite deposits (Cameroon): Sonamines MoU for bauxite development support	Railway linked to mine (Guinea): Design work
Sinoma	OCP Phosphate Processing Unit (Morocco): EPC contract on phosphate mining value chain	Matuga Clinker Plant (Kenya): USD 250 mn EPC project (cement quarry/mining-linked raw materials chain
China Nerin	Kamoa-Kakula 500ktpa Copper Smelter (DRC): EPCM contract for smelter project	Kamoa-Kakula Smelter (DRC): Provided EPCM services (commissioning/production ramp-up)
JCHX Mining Management	Mufulira Mine (Zambia): Mine infrastructure/support engineering contract (USD 21.5 mn)	Zinc/Copper Project (DRC): Mining services contract (~USD 195 mn)
China Harbour Engineering	BON AMI Bauxite (Guinea): EPC contract for offshore structure works	Conakry Port (Guinea): Port works including a bauxite ore berth and associated infrastructure
China Nonferrous Metal Industry's Foreign Engineering and Construction Co.	Metalkol RTR Phase I (DRC): EPC contract for tailings-to-copper/cobalt recovery plant	Metalkol RTR Phase II (DRC): EPC expansion (Phase I & II EPC contracts)

Source: Reuters, China Daily, IRJ, SASAC, ANDAMAN PARTNERS Analysis

After peaking at USD 55 billion in 2015, Chinese construction revenues in Africa have trended lower, reaching USD 40 billion in 2024, reflecting tighter financing, project selectivity and a recalibration of China's overseas construction footprint

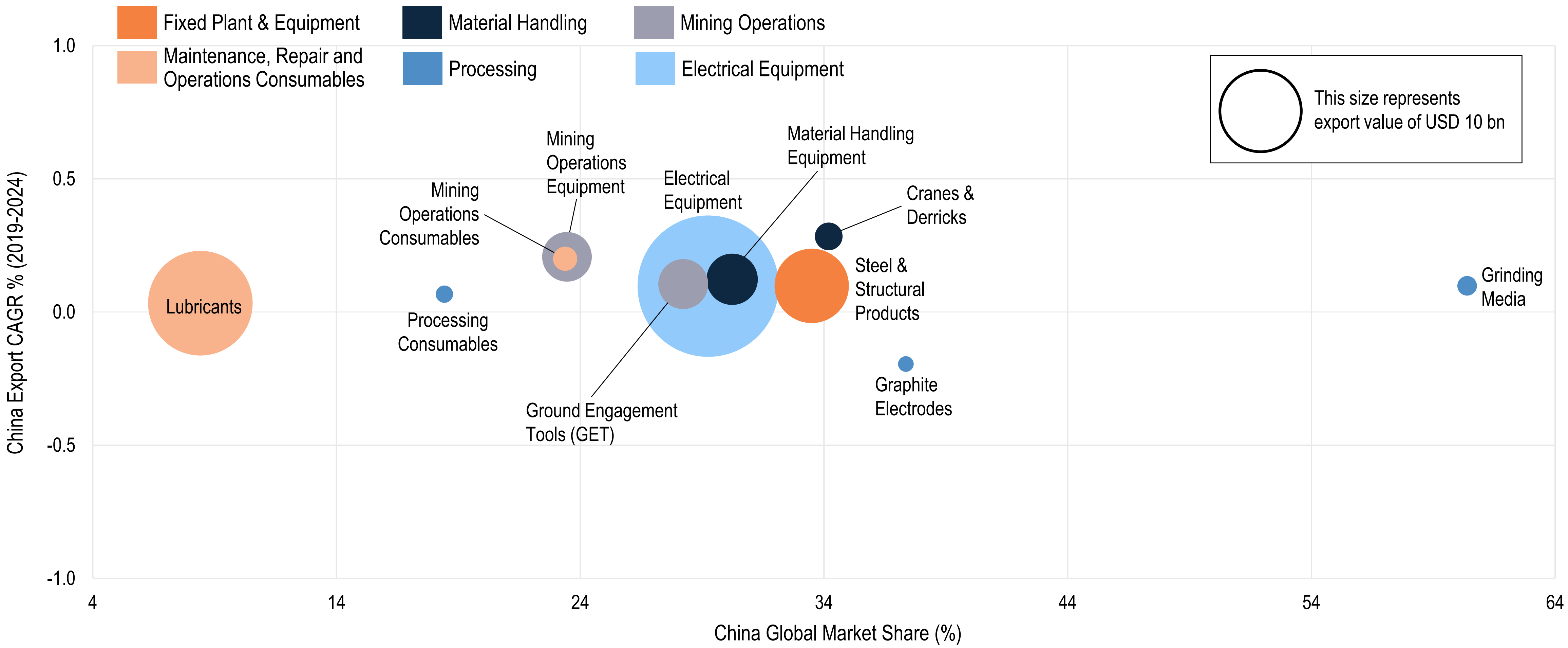
Gross Annual Revenue of Chinese Companies' Construction Projects in Africa, USD bn (2000-2024)



Source: SAIS China-Africa Research Institute, Reuters, ANDAMAN PARTNERS Analysis

The world mines with Chinese equipment. China dominates global exports across mining-related product categories, underscoring its indispensable role in global mining supply chains, despite export growth having plateaued since 2019

China Exports of Selected Mining Equipment and Consumables, USD bn, Global Market Share, % (2024) and Export CAGR, % (2019-2024)



Source: UN Comtrade, ANDAMAN PARTNERS Analysis

Chinese firms continue to become more prominent in project design, engineering, procurement and construction worldwide. China is no longer just a contractor; it is an integrated infrastructure, engineering and equipment partner

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- Global engineering & design revenues are concentrated in infrastructure and energy-heavy sectors, led by transportation (USD 22 billion), buildings (USD 18 billion), and power/petroleum (USD 12 billion / USD 11 billion).
- Just two firms, China Energy Engineering Corporation and Power Construction Corporation of China, accounted for 61% of total Chinese engineering & design international revenue in 2024.
- Chinese engineering firms' international footprint is heavily emerging-market aligned, with revenues concentrated in Asia (38%), the Middle East (19%), and Africa (18%), underscoring China's growing role in delivering large-scale industrial and energy projects across the world's fastest-expanding infrastructure corridors.
- Chinese engineering & design firms are expanding rapidly across Africa's mining value chain, delivering processing capacity, power infrastructure and mine-to-port logistics corridors that underpin export scale and critical mineral supply security.
- After peaking in 2015, Chinese construction revenues in Africa have trended lower, reaching USD 40 billion in 2024, reflecting tighter financing, project selectivity and a recalibration of China's overseas construction footprint.
- China dominates global exports across mining-related product categories, underscoring its indispensable role in global mining supply chains, despite export growth having plateaued since 2019.
- **Chinese engineering and design contractors are a long-term force in global project delivery, providing opportunities for actively building structured partnerships to leverage their cost advantage, speed and execution capacity to unlock faster, larger and more bankable project delivery.**

Source: ANDAMAN PARTNERS Analysis

Conclusions, Implications and Recommendations

Conclusions

- China is the world's second-largest economy, accounting for 17% of global GDP, and one of the largest and fastest-growing developing economies.
- Commodity markets are expected to remain volatile, but China remains a critical anchor of baseline demand. For mining companies, China remains a stabilising force in metals markets and a central participant in shaping long-term trade flows, pricing dynamics and investment incentives, even in a more volatile global commodity environment.
- China is typically the world's largest producer, largest consumer and largest importer of mining commodities. China dominates mineral processing, manufacturing and bulk material production.
- China is not just importing more, it is actively reshaping global trade flows, balancing diversification, scale and strategic control to secure long-term access to critical resources.
- China is a crucial investor and financial partner to the mining industry. China's role as a capital provider is selective, strategic and long-term. For mining companies, engagement with China increasingly means partnering with a capital allocator focused on securing supply rather than chasing returns alone.
- China continues to become more prominent in project design, engineering, procurement and construction. China is no longer just a contractor; it is an integrated infrastructure, engineering and equipment partner.
- For global mining companies, engagement with China increasingly shapes project economics, execution risk, supply-chain resilience and access to capital, making China a strategic variable to manage, not bypass.
- Despite slowing growth and economic challenges, China is still China: the world's largest resource consumer and a critical and unavoidable player in the global mining industry.

Conclusions, Implications and Recommendations

Implications

- Despite China's slowing growth and possibly peaking demand for resources, now is the time to form a comprehensive view of China's role in the sector and to engage it more strategically.
- The mining industry is facing a complex global landscape with increased risk. But in reality, it is impossible to detach from China.
- Global mining companies need to work much harder and smarter to succeed in marketing and sales, with an entirely new China strategy, customer engagement model and logistics approach.
- It is essential to recognise China's comprehensive role, engage it strategically and compete effectively to win. Political and business leaders must consider the many and varied opportunities with and in China for strategies and tactics, competitive operating models, inbound and outbound supply chains and capital choices (as well as investment decisions).

Recommendations

- Organisation: Select appropriate leaders/teams for China engagement; invest in strategic intelligence; form strategic partnerships; take a long-term view.
- Marketing/Sales: Leverage the proper marketing and branding machinery; adapt customer engagement models; use the correct information.
- Capital: Select the right partners (longlist > shortlist > short shortlist); focus on projects that are deserving/appropriate; follow a disciplined process; use astute advisors (DD them).
- Inbound Supply Chain: Balance China's share in global procurement; determine China+5 priorities; frame category/packages vs supply market/cluster choices; use the right operating model, physical supply chain and strong partners.

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Executive Summary: China is still China, but mining companies must now approach it more strategically. Re-evaluate the role China plays in your business and environment as customer, competitor, market, trader, exporter, seller and source of capital

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OLD VERSION

- China and Global Macro Environment — China's GDP growth is gradually moderating, but remains formidable and substantially above the global average. In 2026, China faces significant challenges, yet it remains a pivotal global player. In a world confronting increasing geopolitical volatility, China is a complex, evolving and enduringly prominent economy still holding opportunities for global businesses.
- Complex Global Resources Context 2026 — Global resources are woven into geopolitics, geostrategy, the technology race, etc. The stakes are high. Issues and risks abound; geopolitics are prominent in the boardroom, as are global supply chain realignments and international competition.
- Consumption, Production & Trade — China remains the world's largest consumer and typically the #1 customer for many of the world's mining companies. But much has changed ('peak demand?'). Clearer strategic intelligence is needed. China's mining production is significant in many commodities, but low on a per-capita basis. Domestic demand remains high, albeit demand growth is moderating. Imbalances between China's domestic production and consumption still drive large resource trade to China, albeit at lower growth rates.
- Critical Juncture for Critical Minerals (CM), Transition and Sustainability — Many forces are converging simultaneously in CM: geopolitics, risk perception, diversification and shifts in supply and demand (dis)equilibrium.
- China as Capital Partner — China's role as a source of investment and finance remains significant. However, much has changed (e.g., compared to 2005-2015): geopolitics, perceptions and China's approach. Still, the potential is real to tap quality partners and capital from China.
- China as Inbound Supply Chain Partner — China has become a prominent (even dominant) supply partner across the global mining value chain. China's engineering & design, machinery & equipment, technologies and construction services are already driving value for many projects and operations worldwide through cost reduction and schedule gains.
- **Now is the time for strategic engagement of China. Despite China's slowing growth and possibly peaking demand for resources, now is the time to form a comprehensive view of China's role in the sector, engage it strategically and compete effectively to win.**
- **The mining industry is facing a complex global landscape with increased risk, but it is impossible to detach from China.**

China & Global Macro Environment

- Global real GDP growth in 2024 was 3.3%, down from 3.5% in 2023. GDP growth of 3.2% is projected for 2025, below historical averages.
- China is in a long-term structural adjustment phase towards lower GDP growth, but still contributes significantly to global growth. China's grew at 5% in 2024 and 5.2% in Q1-Q3 2025, in line with gov. targets.
- Political and business leaders must consider the many and variable opportunities with and in China for strategies and tactics, competitive operating models, inbound and outbound supply chains and capital choices (as well as investment decisions).

Global Resources Context 2026

- The 2026 global resources landscape will be marked by heightened strategic competition over critical minerals and clean energy technologies, a shift to industrial security and increasing emphasis on near-term economic benefits over long-term climate targets.
- Europe is phasing out Russian fossil fuels and the U.S. is diversifying its sources of critical minerals such as lithium, cobalt and rare earths.
- China remains a critical anchor of baseline demand, a stabilising force in metals markets and a central participant in shaping long-term trade flows, pricing dynamics and investment incentives.

China Consumption, Production & Trade

- China remains the single most important demand centre in global resources; the largest consumer across a broad set of commodities, including steel, aluminium, copper and energy-transition metals.
- China is by far the largest producer of steel and aluminium and the leading processor of many critical minerals. Yet China remains heavily dependent on foreign sources for key upstream inputs, including lithium, copper, nickel and high-grade iron ore.
- For global resource markets, China anchors demand and increasingly sets the risk profile for producers, traders and policymakers alike.

Critical Minerals, Transition & Sustainability

- Critical mineral extraction remains geographically diverse, but China is the dominant control point in processing and refining, and anchors the value chain where pricing power and market access are set.
- China has leading positions in several battery and energy-transition materials. Manufacturing and bulk materials production are even more concentrated, reinforcing China's structural advantages.
- For global mining companies, China's mineral position represents more than scale, it confers geopolitical leverage, shapes trade policy and embeds long-term supply-security into global resource markets.

China as Capital Partner

- China's FDI and lending shape global trade and resource security.
- China's ODI continues to expand: USD 177 bn in 2023 with Asia (USD 126 bn) and Latin America (USD 37.6 bn) as primary destinations.
- Resource security remains a priority, with a stock of USD 194 bn for mining investments.
- China provided USD 182.3 bn in loans to African governments (2000-2023).
- In 2024, China's FDI flow amounted to USD 116 bn and FDI stock reached USD 3.65 tn.

China as Inbound Supply Chain Partner

- Chinese mining equipment, machinery and chemicals are integral to project procurement.
- Chinese EPCs are moving up the value chain: design & engineering revenues are expanding and construction earnings are rising.
- The value derived from having China in the project or operations supply chain is already very significant: Cost competitiveness, speed of delivery and technical maturity have improved markedly, while quality risks, though still requiring active management, have largely receded as a binding constraint on project execution.

Source: ANDAMAN PARTNERS Analysis

China is still China, but mining companies must now approach it more strategically

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OLD VERSION

- Long vs short term — China's long-term rise continues, but it faces significant cyclical and structural challenges in a very complex world.
- Complex resources landscape — Global resources are woven into geopolitics, geostrategy, the technology race, etc. The stakes are high. Issues and risks abound; geopolitics enter the boardroom, as do global supply chain realignment and international competition, among others.
- Consumption — China remains the world's largest consumer, typically the #1 customer for many of the world's mining companies. But much has changed ('peak demand?'). Much clearer strategic intel is needed.
- Production — China's mining production is significant in many commodities, but low on a per-capita basis. Domestic demand remains high, albeit demand growth is moderating.
- Critical juncture for critical minerals — Many forces are converging simultaneously in CM: geopolitics, risk perception, diversification efforts and shifts in supply and demand (dis)equilibrium, etc. Key is China's role in production, processing, consumption and value chain prominence, i.e., its large imports, processing share and commanding REE reserves are stand-out factors in geopolitics and boardrooms.
- Trade — Imbalances between China's domestic production and consumption still drive large resource trade to China, albeit at lower growth rates. Global mining companies need to work much harder and smarter to succeed in marketing and sales, with an entirely new China strategy, customer engagement model and logistics approach.
- Capital partner — China's role as a source of investment and finance remains significant. However, much has changed (compared to, for example, 2005-2015): geopolitics, perceptions and China's approach (as well as that of Chinese investors, including their maturity, deal preferences, etc.). Still, the potential is real to tap quality partners and capital from China.
- Inbound Supply Chain partner — China has become a very prominent (even dominant) supply partner across the global mining value chain. China's engineering & design, machinery & equipment, technologies and construction services are already driving value for many projects and operations worldwide through cost reduction and schedule gains.

Global & China Macro Environment

- Global real GDP growth in 2024 was 3.3%, a decline from 3.5% in 2023. Overall, the global growth outlook for 2025-2026 remains patchy, with significant regional divergences.
- China is in a long-term structural adjustment phase towards lower GDP growth, but still contributes significantly to global growth. GDP grew by 3.0% in 2022, 5.2% in 2023 and 5% in 2024, and should remain at around 5% in 2025.

China as Capital Partner

- China's ODI and lending shape global trade, resource security and economic influence.
- China's ODI continues to expand: USD 177 bn in 2023 with Asia (USD 126 bn) and Latin America (USD 37.6 bn) as primary destinations.
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Global Resources Context

- In 2022, geopolitical tensions caused energy and metals supply disruptions, amplified in 2023 by macroeconomic factors. In 2024, the prices of oil, metals and agricultural commodities declined; precious metals and natural gas rose.
- The outlook for 2025 is of continued volatility in commodity prices amid concerns about global economic growth, the threat of trade tariffs and slowing demand from China.

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- Chinese EPCs are moving up the value chain: design & engineering revenues are expanding and construction earnings are rising.
- The value derived from having China in the project or operations supply chain is already very significant and quality risks have largely dissipated (even if they must be managed well).

China Consumption, Production & Trade

- Despite slower growth, China is still the largest consumer of various commodities.
- China is the top producer of steel, aluminium and key minerals, but remains dependent on foreign sources for metals like Li, Cu, Ni, etc.
- Over the past 2-3 decades, China increased its share of global imports of key metals and minerals, as well as more recently (iron ore 74%, Al 81% and Cu 61%).

Critical Minerals, Transition & Sustainability

- Mineral production remains geographically diverse, but China dominates CM processing.
- China controls the production of key industrial minerals like gallium (98%) and tungsten (81%).
- Manufacturing and bulk material production are highly concentrated in China.
- China's mineral dominance signifies geopolitical leverage, influence over trade policy, supply (in)security and industrial dependencies.

Conclusions

- China remains a core node in global mining: leading producer, consumer and importer, dominating mineral processing as well as manufacturing and bulk material production.
- China is a key player in investment, financing and project execution, and its EPC firms play a crucial role.
- Despite slowing growth and economic challenges, China is still China: the world's largest resource consumer and a critical and unavoidable player in the global mining industry.

Implications

- Despite China's slowing growth and possibly peaking demand for resources, now is the time to form a comprehensive view of China's role in the sector and to engage it more strategically.
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